

# FY22 FULL YEAR RESULTS

25 August 2022



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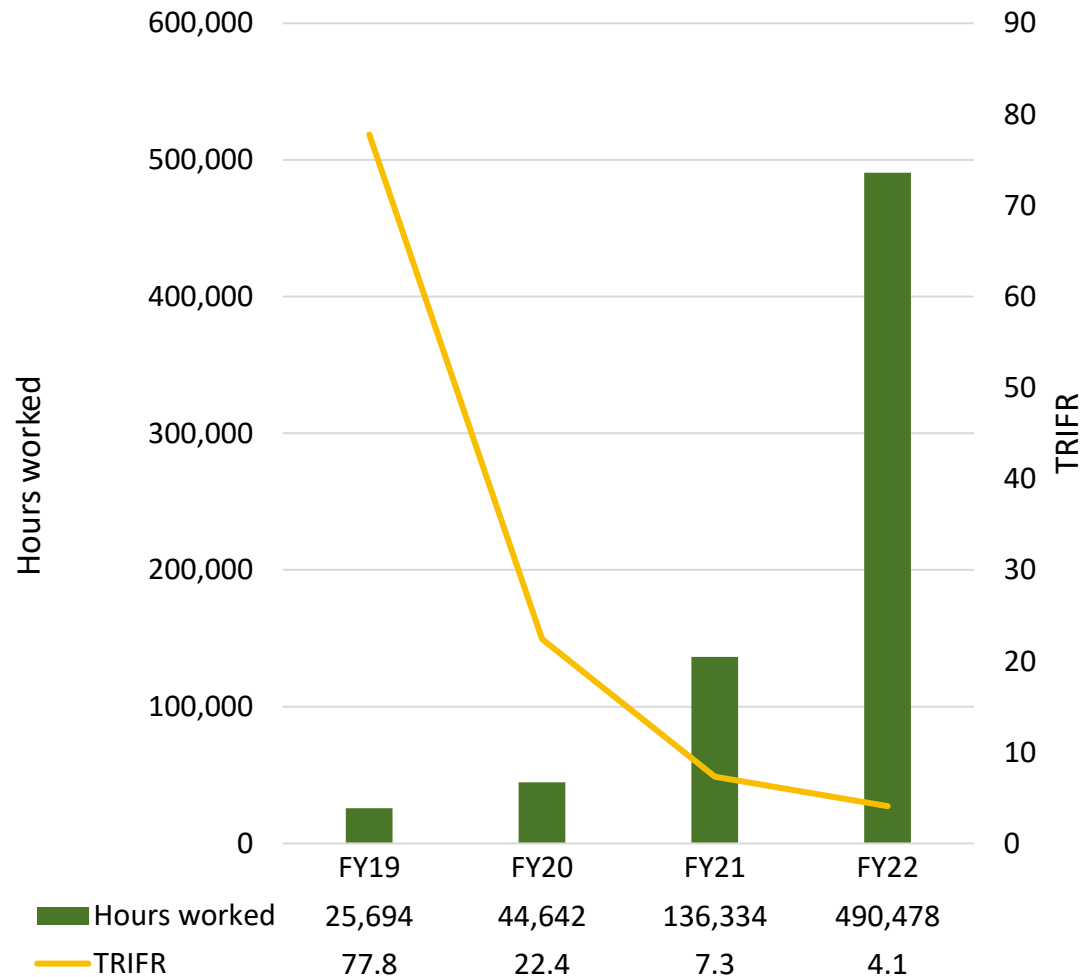
# FY22 HIGHLIGHTS

- 44% improvement in safety performance, while hours worked have increased by 260%
- 7 years without a Lost Time Injury (LTI)
- BCI generated revenue of \$65.2M and a \$27.8M EBITDA from Iron Valley.
- Cultural transformation program to attract and retain skilled workforce
- Secured key Mardie approvals and tenure
- Main construction milestone achieved and advanced progress made at site
- \$384M of contracts awarded
- \$142M construction spend
- \$360M capital raise following Final Investment Decision



*Premier Mark McGowan – March 2022*

## TRIFR v Hours Worked



4.1 TRIFR<sup>1</sup> (FY21: 7.3)



LTI Free (7 years)



42% Female employees<sup>2</sup>



34% Female managers<sup>2</sup>



New Diversity Equity and Inclusion Policy launched

1. TRIFR – Total Recordable Injury Frequency Rate: total number of injuries including medical treatment injuries (MTI), restricted work injuries (RWI) and lost time injuries (LTI). (TRI = LTI + RWI + MTI) per million hours worked (includes BCI employees and contractors); 2. based on 84 BCI employees as at 30 June 2022

## Management Transition

- Kerryl Bradshaw (current CFO) appointed Interim CEO effective 1 September 2022
- Alwyn Vorster to step down as CEO and Director on 31 August 2022 pursuant to his previously announced intention to resign in this half year
- Interim CEO appointment is part of an orderly transition
- BCI continues its search for a permanent CEO



## Community Engagement

- >\$10M spent with ~40 Pilbara suppliers in FY22
- Launched BCI's Partnerships and Sponsorships program
  - Key Partnership with City of Karratha, delivering support to local organisations
- Human Rights Risk Assessment undertaken
- New Community Policy launched



## Environment and Heritage

- Strong relationships with Traditional Owners enhanced by BCI actions
  - BCI amended access road design to avoid and preserve an Aboriginal heritage site
- State and Federal environmental approvals gained for Mardie
- Quarterly fly-overs to map ground disturbance and real time location data to adhere to environmental and heritage project clearing limits
- Collaboration with Traditional Owners to develop Cultural Heritage Management Plan, Cultural Awareness training and Reconciliation Action Plan (Reflect)
- Climate Change Risk Assessment undertaken
- New Environment Policy and new Cultural Heritage Policy launched





## Mardie Expenditure

- Total Mardie expenditure increased from \$52.1M in FY21 to \$162.7M in FY22 including operating expenditure and enabling capital expenditure
- \$384M capital contracts awarded in FY22
  - Marine Structures
  - Trial Pond and Ponds 1-5
  - Seawater Intake Structure
  - Roads
  - Mardie Village
  - Project Management Services

\$'000	FY22	FY21
Exploration & evaluation expenditure	-	3,600
Early enabling work program	4,700	14,000
Mardie main construction capex	137,400	-
<b>Total Mardie capex</b>	<b>142,100</b>	<b>17,600</b>
Other Mardie Expenditure	20,600	34,500
<b>Total Mardie Expenditure</b>	<b>162,700</b>	<b>52,100</b>





## Earnings

- Iron Valley revenue and royalty payments down – earnings impacted by lower iron ore prices and lower volumes shipped
- Mardie development and evaluation expenditure reduced post obtaining Final Investment Decision (FID).
- Other expenditure up as workforce expanded and Mardie development activity ramps up

\$'000	FY22	FY21
Iron Valley Revenue	65,198	160,156
Royalties	(37,383)	(90,624)
Development & Evaluation Expenditure	(20,616)	(34,487)
Other Expenditure	(17,555)	(6,131)
<b>EBITDA</b>	<b>(10,356)</b>	<b>28,914</b>
Depreciation and amortisation	(5,674)	(4,973)
Impairment of assets		(2,255)
<b>EBIT</b>	<b>(16,030)</b>	<b>21,686</b>
Net Interest	545	286
<b>Profit before income tax</b>	<b>(15,485)</b>	<b>21,972</b>
Income tax	-	-
<b>Statutory net earnings</b>	<b>(15,485)</b>	<b>21,972</b>



## Balance Sheet

- Strong cash position following successful equity raising in 1H FY22
- Property, plant and equipment (PP&E) increased due to Mardie Project development
- Exploration and evaluation (E&E) down due to reclassification of Mardie E&E to Mine Development (PP&E) following FID approval
- Other financial assets increased due to the acquisition of Agrimin Limited (ASX:AMN) and Highfield Resources Limited (ASX:HFR) and subsequent fair value gain
- Loans and borrowings increased following the issue of Series 1 (non-interest bearing) Convertible Notes to AustralianSuper as consideration for the AMN and HFR shares

\$'000	As at 30 Jun 22	As at 30 Jun 21
Cash and cash equivalents	232,021	79,435
Short term investments	657	681
Trade and other receivables	32,705	15,816
Property plant and equipment	194,920	49,384
Exploration and evaluation	1,754	9,728
Intangibles	15,502	15,502
Other financial assets	38,666	0
Right of use assets	684	827
Trade and other payables	65,031	37,548
Provisions	18,631	16,723
Lease liabilities	777	873
Loans and borrowings	19,718	0
<b>Total shareholders' equity</b>	<b>434,236</b>	<b>172,664</b>

## Progress Update

- Village expanded from 80 to 400 beds
- Pond 5 Embankment Trial complete
- Pond 0 complete
- Ponds 1-2 circa 50% completed
- Pond 3 underway
- Seawater intake station commissioning to commence Dec-22
- Infrastructure upgraded (access roads and communications)



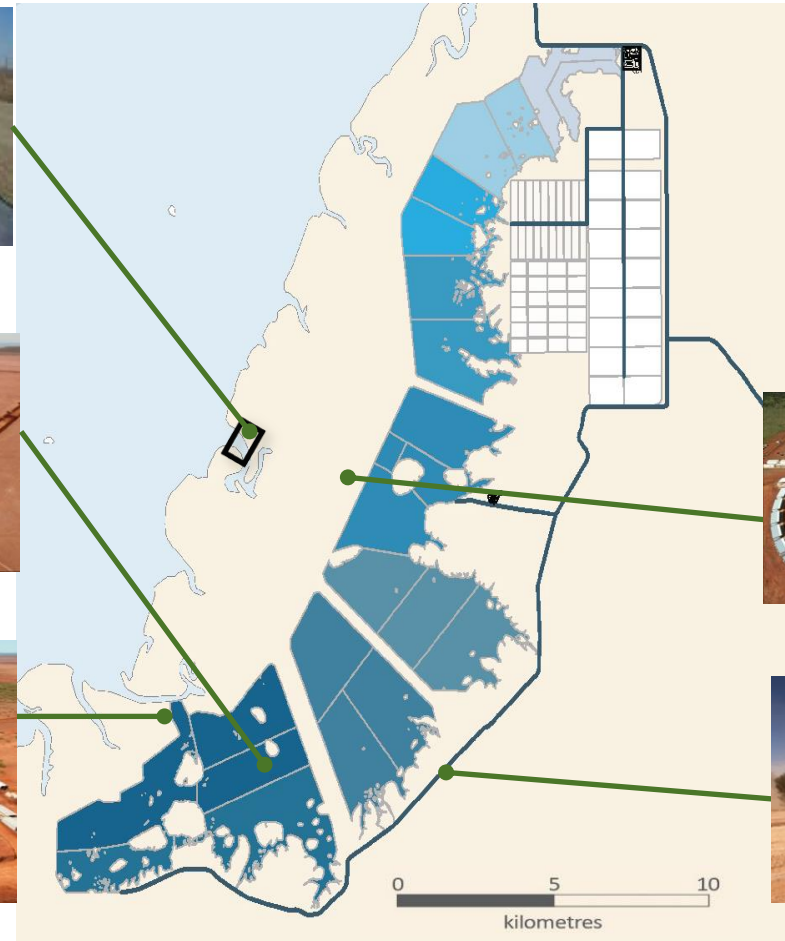
POND 5 EMBANKMENT TRIAL



PONDS 1&2



SEAWATER INTAKE STATION



SALT PILOT PLANT (PERTH)






VILLAGE



NORTH-SOUTH ROAD

## Approvals and Tenure Secured

<p>ENVIRONMENT</p> 	<ul style="list-style-type: none"><li>✓ State Government approval<sup>1</sup></li><li>✓ Federal Government approval<sup>1</sup></li><li>✓ Lower level of assessment (ARI<sup>2</sup>) for OFS<sup>3</sup> footprint</li></ul>
<p>NATIVE TITLE &amp; HERITAGE</p> 	<ul style="list-style-type: none"><li>✓ Strong relationship with Traditional Owner groups</li><li>✓ Key Native Title agreements in place</li><li>✓ Port indigenous land use agreement (ILUA) executed</li></ul>
<p>TENURE</p> 	<ul style="list-style-type: none"><li>✓ Gas pipeline and pastoral access agreements executed</li><li>✓ Mining leases granted</li><li>✓ Cape Preston West Port land reserve created</li></ul>

## Mardie Village

- Accommodation village expanded from 80 beds to 400 beds
- Central facility buildings fitted out
- Landscaping in progress – cultural inclusion theme featuring indigenous artwork
- Mess facility, named “Yawan” (hot cooking stones) in collaboration with Wirrawandi Aboriginal Corporation, official opening in September
- 203 beds currently occupied; expect full occupation within months
- *Contractor: McNally*



## Pond Construction

- Pond 5 embankment trial complete
- Pond 0 complete
- Large sections of Pond 1 and Pond 2 wall and levee systems have been completed
- Earthworks contract for Ponds 3, 4 and 5 awarded
- Pond 3 construction commenced
- *Contractor (Ponds 1-2): SRG Global*
- *Contractor (Ponds 3-5): QH&M Birt*



## Seawater Intake Structure

- Seawater intake structure circa 65% complete<sup>1</sup>
- Piling installed, concrete and steel structural elements underway
- Installation of six pumps with 3,000 litres/second capacity scheduled in September quarter
- Commissioning anticipated in December 2022
- *Contractor: Ertech*



*Seawater Intake: August 2022*

## Marine Structures Package

- ~\$190M marine structures contract awarded
- Design and construct package includes jetty structure, transhipper mooring equipment, material handling system and navigation aids
- Construction involves traveller and crane to drive piles and extend the jetty head
- Traveller is under construction and procurement of piles and fabricated steel has commenced
- Marine structures are on track against plan with 100% of jetty design received and 60% of mechanical designs completed
- On site construction to follow completion of jetty causeway (contract due to be issued in coming months)
- *Contractor: McConnell Dowell Constructors (Australia)*



*Jetty traveller construction*





## Cost and design review

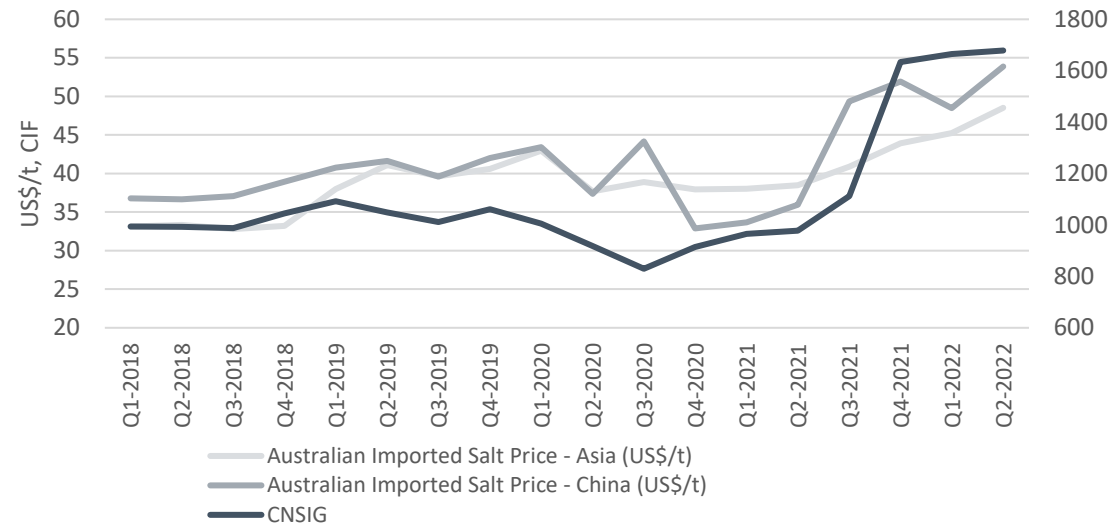
As previously announced:

- Significant cost increases have become evident during second half of FY22
- Labour, materials, equipment and consumables prices all impacted
- Design changes leading to improved project but some quantity increases
- Project schedule delayed to work through impact on the Project
- Reviews in progress to define optimal project model and schedule
- BCI fully funded for committed project expenditure to 30 June 2023
- BCI Board will advise results of reviews, including impact on required project funding, in due course

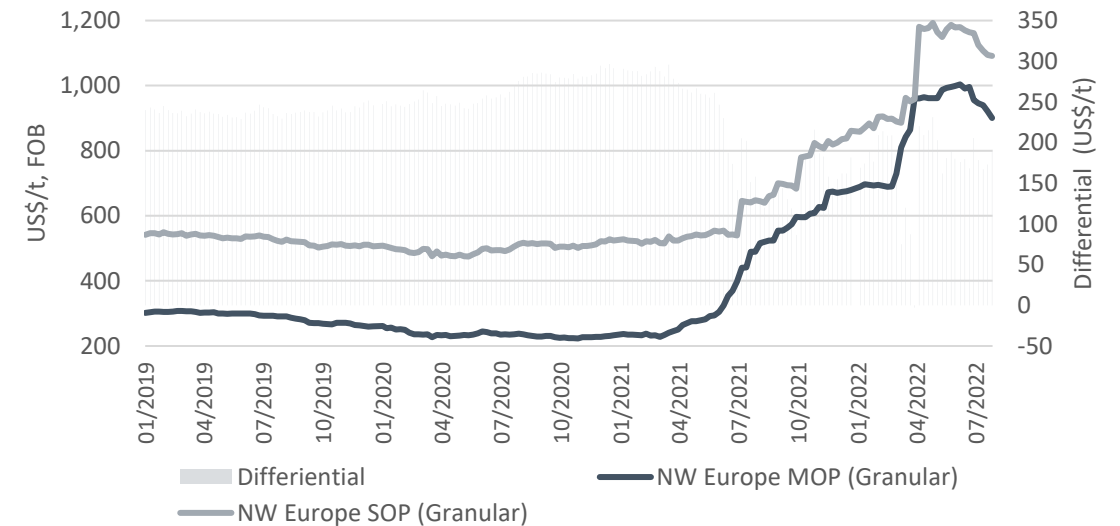


## Strong commodity prices: Salt up ~25% and SOP up ~85%

Imported Australia Salt Price vs China CNSIG Index



MOP Granular vs SOP Granular, FOB



### Salt

- Delivered Price of Australian salt increased in FY22:
  - Asian import price (Jun-22 qtr) = US\$48, up 25% YoY
  - China import price (Jun-22 qtr) = US\$53, up 45% YoY
- China domestic salt price (CNSIG index) up >50%, provides a lead indicator for regional prices
- Mardie OFS forecast (60-year average, \$real): ~US\$50/t CFR<sup>2</sup> (A\$55/t FOB)<sup>3</sup>

### SOP

- SOP price<sup>4</sup> (NW Europe, bulk, granular) averaged US\$1,173/t (FOB) for the Jun-22 quarter
  - Up 30% on the Mar-22 quarter price of US\$903/t
  - Up 85% YOY from US\$633/t in 2021
- Mardie OFS forecast (60-year average, \$real): US\$578/t FOB<sup>3</sup> (A\$819/t FOB)

## FOCUS: Mardie optimisation and milestone completion

### Mardie Project milestones

- Mardie Village complete
- Installation of intake pumps
- Seawater intake commissioning commencement
- Ponds 1 & 2 materially advanced

### Mardie optimisation

- Cost and design review to re-optimize schedule and budget
- Ongoing Mardie design and project delivery optimisation
- Progress approvals process for OFS footprint
- Outlook for sustained salt and SOP price strength given geopolitical supply constraints





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