

## JUNE 2023 QUARTERLY REPORT

- **BCI executes non-binding offtake MOU with MIND ID and an offtake term sheet with Itochu for the sale of high-purity salt from BCI's Mardie Project**
- **Shareholder approval obtained for the issue of convertible notes to fund critical path activities, enabling successful drawdown of \$60M in July**
- **Ponds 1 to 5 civil works complete**
- **Commencement of 2.4 km purpose-built jetty with first jetty pile installed**
- **During this quarter BCI also shared a market update on the Mardie Project and Base Case including an improved level of design**
- **Announcement of new Project Director and External Relations executives**
- **Group EBITDA of \$2.6M for the quarter**
- **Cash balance of \$109.5M as at 30 June 2023**

BCI Minerals Ltd (ABN 21 120 646 924) (ASX:BCI) (BCI or the Company) presents its quarterly activities report for the period ended 30 June 2023.

### MARDIE SALT AND POTASH PROJECT

#### Mardie Project Update

##### Health and Safety

BCI has maintained its safety performance over the quarter and remains focused on maintaining a safe and healthy working environment for its employees and contractors. During the June quarter BCI has been focused on incident prevention programs including review of critical controls for fatality risks, and implementation of controls for psychosocial hazards. During the June quarter we have seen a ramp up of construction activities and a change in the health and safety risk profile with a continued focus on critical control verifications. The total recordable injury frequency rate (TRIFR) on a rolling 12-month basis was 4.1 at end of June. This is a decrease from a TRIFR of 6.1 at the end of June 2022.

##### Site activities

As at 30 June 2023, \$369M has been spent on the construction of Mardie Salt and Potash Project (Project or Mardie Project). Progress on evaporation ponds continues to make headway, with the completion of pond 5 marking a significant milestone at the end of the quarter.

Bulk earthworks for transfer stations 2/3 and 3/4 have been successfully completed and civil works are well advanced. Installation of the pumps at transfer station 2/3 has commenced, which upon completion will allow brine to be pumped from pond 2 to 3.

Meanwhile, the road construction packages are on track with the North South Road and Mardie Road reaching 70% completion by 30 June. Additionally, the Northwest Coastal Highway Intersection works have proceeded smoothly during the quarter, staying within the scheduled timeline and allocated budget.

Significant progress has been made on the marine structure package by design and construction (D&C) contractor, McConnell Dowell (MCD), with 35% complete by 30 June. Activity in May saw the installation of the first pile at jetty island, signalling the commencement of the 2.4 km purpose-built jetty. Since then, MCD have installed a transporter and crawler crane that enabled further piling activities to proceed.

More than half of the design and engineering stands at >95% complete. The optimised design of transfer stations 5/6 and 6/7 has been finalised, while the design process for crystalliser lift stations and the secondary seawater distribution system is set to commence. Notably, the design of primary and secondary crystallisers has been completed, and the issued for construction drawings have been released. The design for KTMS crystallisers is scheduled for completion in July 2023.

Moving forward, the focus will primarily be on advancing the construction of several essential facilities in accordance with critical path activities.



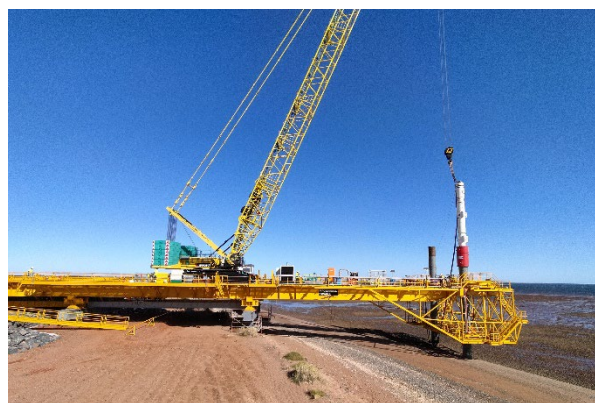
**Figure 1: Evaporation ponds**



**Figure 2: Access road intersection**



**Figure 3: Jetty lay down area**



**Figure 4: Jetty piling**

## Mardie Base Case update

Following a robust process on its cost and design review, BCI delivered an [update to the market on 20 June 2023](#) of its Mardie Salt and Potash Project, including an outcome of the review and base case cost estimate.

Over the past 12 months, many elements of the Project have been reviewed by BCI's Project Team with the assistance of external experts to optimise the design, cost and development schedule.

First Salt on Ship is targeted for mid-2026 and First SOP on Ship for mid-2027. This delivery lines up well with the salt marketing regimes in the Asian markets and allows trial cargoes to be conducted for the Mardie product during the first year of production to BCI's key customers.

The review process has increased the robustness of the Project's design and confidence in the cost forecast, supported by quantitative risk assessments by external experts.

Although global costs have increased for construction, so too have the long run prices of both salt and SOP due to an increase in market demand and an anticipated shortfall in supply.

BCI's Managing Director, David Boshoff, said: *"We are confident that Mardie will become one of the most sustainable, long life and naturally renewable resource projects in the world and I am proud to lead the team that will deliver this project. Key shareholders and prospective lenders continue to support the Mardie Project, and the pathway to securing the additional funding required to complete the Project is nearing completion"*.

## Offtake Progress

During the quarter, BCI successfully progressed offtake relationships with international parties, for the supply of high purity Mardie salt into Asian markets.

BCI executed an offtake term sheet with Itochu Corporation on 27 June 2023, and the parties are working towards negotiating a formal binding salt offtake agreement by 31 December 2023. The relationship is expected to see Itochu purchase salt as Mardie's salt production ramps up to steady state with 500 kt of salt in each of years 1 and 2, 600 kt in year 3, and 1000 kt in each of years 4 and 5. Itochu is one of the largest Japanese trading and investment companies, operating a diverse portfolio of businesses including a division involved in trading industrial chemicals. BCI nominated Itochu as its preferred trading partner for Japan, Korea and Taiwan, subject to the execution of a formal offtake agreement.

As announced on 4 July 2023, BCI Minerals has also entered a non-binding Memorandum of Understanding (MOU) with PT Mineral Industri Indonesia (MIND ID) in relation to a potential offtake of up to 1MT per annum solar salt and a potential equity investment in BCI of up to A\$100M.

MIND ID is owned by the Indonesian Government and acts as the holding company for the Indonesian government's investment in the mining industry in Indonesia. The MOU contemplates a potential offtake agreement with an initial term of 5 years from supply commencement with the option to extend the term for a further 5-year period. The MOU provides a framework for further good faith negotiations with a view to entering into the formal binding documentation for the potential offtake and equity investment by the end of 2023.

## Funding

BCI is pleased to have the continued support from its shareholders. During the quarter BCI shareholders approved the issue of \$30M in convertible notes to each of BCI's two largest shareholders, Wroxby Pty Ltd (ACN 061 621 921) (Wroxby) and AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) (AustralianSuper). Drawdown of these convertible notes occurred in July, raising a total of \$60M.

The funds raised from the issue of the convertible notes will be used to fund critical path contracts for the Mardie Project and working capital whilst BCI progresses discussions with financiers regarding the full funding of the Project.

Project financing discussions are progressing well, and Deutsche Bank AG has been engaged to support the equity funding process. The Company is confident that full funding for the project will be identified during FY2024.

## Sustainability and Approvals

The necessary approvals to finalise the construction of the Project are progressing.

BCI presented an update to the WA Environmental Protection Authority Board for consideration in late April 2023 on the Optimised Mardie Project. The EPA draft conditions were released on 11 May 2023 for review, before publishing their final report on 19 June 2023 for public comment. The EPA's assessment forms part of the process for BCI to obtain the environmental approval needed to finalise construction of the Mardie Project. Open and consistent engagement with the EPA and Government has been vitally important during this process.

BCI continues work on obtaining finalised conditions from the Federal Government in accordance with the Environmental Protection and Biodiversity Conservation Act. Both State and Federal finalised conditions are forecast to be provided in Q4, CY 2023.

Additionally, a thorough review of the new Aboriginal Cultural Heritage Act has been conducted, concluding that the Heritage surveys completed thus far will satisfy the new requirements. Throughout this process, Traditional Owners of the land and waters upon which the Mardie Project is being constructed, the Yaburara and Mardudhunera People, have remained engaged in the Project.

## Board and Executive Appointments

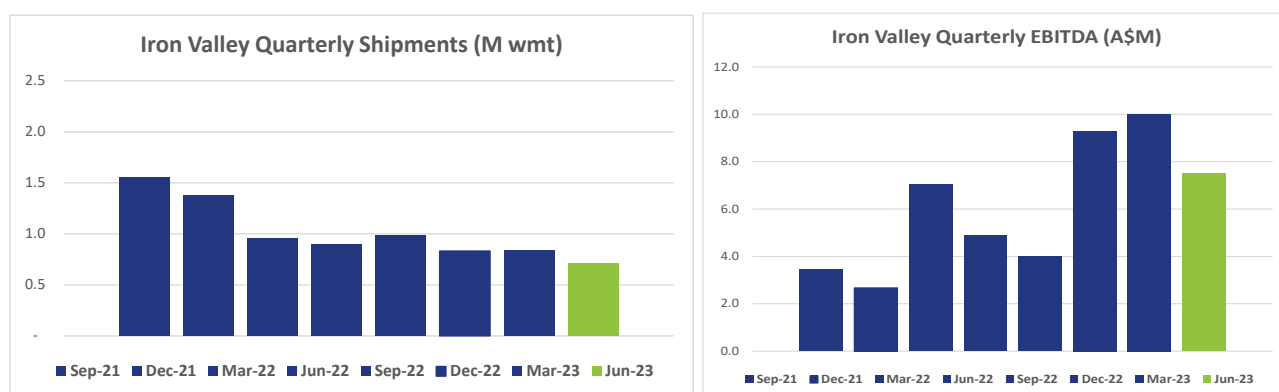
In April, BCI announced the appointment of the Project Director, Tim Deighton, and the Head of External Relations, Arron Minchin, completing the executive team to deliver the Project. Both commenced during the quarter, and bring a wealth of expertise that will support BCI's vision to be a globally significant, sustainable industrial minerals business. Ms Stephanie Majteles, previously Joint Company Secretary and General Counsel, has assumed the role of sole Company Secretary effective 1 July 2023 and will continue in her role as General Counsel of BCI.

## Cash and Debt Position

BCI's cash balance at 30 June 2023 was \$109.5M<sup>1</sup> (31 March 2023: \$163.8M). With ongoing Iron Valley royalty earnings, cash at bank and the \$60M of convertible notes drawn in July 2023, BCI has sufficient funding to cover current contracted works.

## Iron Valley

BCI EBITDA from Iron Valley for the June 2023 quarter was \$11.1M<sup>2</sup>, comprising \$7.5M from 0.7M wmt shipped iron ore for the quarter, plus adjustments for finalisation of prior period provisional pricing and volume adjusted income. The June 2023 quarter result reflects provisional FOB prices based on an average headline 62% Fe iron ore price of US\$111/t, (prior quarter US\$125/t).



**Figure 7: Iron Valley Quarterly Shipments (M wmt)**      **Figure 8: Iron Valley Quarterly EBITDA (A\$M)**

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

### For further information:

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<sup>1</sup> Unaudited

<sup>2</sup> Unaudited

## 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 developing 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 approximately 5Mtpa of high-purity salt (>99.5% NaCl) and 140ktpa of Sulphate of Potash (SOP) (>52% K<sub>2</sub>O) via solar evaporation of seawater. Main construction of the Mardie Project commenced in early 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 potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaro South, Kumina and Nullagine.

## KEY STATISTICS

<b>Shares on issue:</b>	1,213.3M	
<b>Cash in bank:</b>	\$109.5M	As at 30 June 2023
<b>Board:</b>	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Gabrielle Bell	Non-Executive Director
	Richard Court	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Stephanie Majteles	Company Secretary
<b>Major shareholders:</b>	Wroxby Pty Ltd	39.5%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.1%
<b>Website:</b>	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	

## FORWARD-LOOKING STATEMENTS

This announcement contains 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 that the expectations reflected in such forward-looking statements are reasonable. However, these expectations and forward-looking statements are only predictions and are subject to risks, uncertainties and other factors 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



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