

FY23 FULL YEAR RESULTS

- BCI recorded a Total Recordable Injury Frequency Rate (TRIFR) of 4.1
- Leadership team strengthened
- BCI earned \$60.9M in revenue and A\$30.7M EBITDA from Iron Valley during FY23
- Mardie project plan reconfigured to focus on salt as the initial product, with SOP plant design to be progressed during FY24
- Major construction milestones reached for the Mardie Project, including completion of the primary seawater intake station, accommodation village, and ponds 1-4. Pond 5 is 95% complete as at 30 June 2023
- Construction Cost of \$227M incurred in FY23; cumulative capital spend of \$369M on Mardie project as at 30 June 2023
- Completion of the Mardie cost and design review, which delivered an improved level of design and updated cost estimates, showed robust projected financial returns despite increased capital cost¹
- Secured \$160M in convertible note funding to fund critical path activities from major shareholders AustralianSuper and Wroxby; \$100M drawn in December 2022 and \$60M in July 2023
- Salt offtake term sheet signed with Itochu in June 2023, and non-binding investment and salt offtake MOU signed with MIND ID in July 2023
- Project Finance discussions progressed during FY23; approvals expected Q1 FY24
- Commodity markets remain strong, with external forecasters predicting long term forecast salt price of US\$62-67/t

BCI Minerals Ltd (ABN 21 120 646 924) (ASX:BCI) (BCI or the Company) is pleased to announce its financial results for the year ended 30 June 2023 (FY23) as well as a corporate and project update.

Health, Safety and Wellbeing

BCI remains focused on maintaining a safe and healthy working environment for its employees and contractors. By collaborating closely with teams and partners, through FY23, BCI has emphasised risk assessment, implemented effective controls, and provided comprehensive training and induction programs for our workforce. Fatality prevention is a key component of BCI's health and safety KPI with the implementation and verification of critical controls, as well as Total Recordable Injury Frequency Rate (TRIFR) as a lag indicator.

Despite the increased risk profile due to construction activities, we have successfully achieved an improvement in our TRIFR, which was 4.1 on a rolling 12-month basis as at 30 June 2023 with nearly 500,000 hours of work on-site. This is a decrease from a TRIFR of 6.1 at the end of June 2022.

¹ Refer BCI announcement 20 June 2023 for full details of cost and design review outcomes

Executive & Board Appointments

The 2023 financial year was marked by a significant change in leadership, with the appointment of David Boshoff as Managing Director in November 2022.

In January 2023, Gabrielle Bell was appointed as Non-Executive Director on the BCI Board, nominated by AustralianSuper.

In April 2023, BCI also announced the appointment of Project Director, Tim Deighton, and Head of External Relations, Arron Minchin, completing the executive team to deliver the Project.

FY23 Financial Results

The Company recorded a net profit after tax of \$9.4M in FY23 (net loss \$15.5M in FY22), including a \$19.2M gain on recognition of the AustralianSuper \$100M convertible note draw down.

Iron Valley mine's operator, Mineral Resources Limited (ASX:MIN), shipped 3.4Mt of iron ore during the year (4.8Mt in FY22) which generated revenue for BCI of \$60.9M (\$65.2M in FY22) and full-year Iron Valley EBITDA of \$30.7M (\$27.8M in FY22).

Table 1: FY23 NPAT

\$M	30 June 2023	30 June 2022
Revenue	60.9	65.2
EBITDA	12.6	(10.4)
Interest, tax, depreciation and amortisation	(1.5)	(5.1)
Impairment of assets	(1.7)	--
Net profit after tax	9.4	(15.5)

BCI's EBITDA for the year comprised contributions from the following segments set out in Table 2.

Table 2: FY23 EBITDA

\$M	30 June 2023	30 June 2022
Iron Valley	30.7	27.8
Mardie	(19.2)	(20.6)
Other	(18.1)	(17.6)
Other – Fair value gain on financial instrument	19.2	-
Total EBITDA	12.6	(10.4)

Mardie Project Update

BCI continues to focus on the delivery of the Mardie Project. During FY23, BCI has focused the project delivery plan initially on salt production, while progressing SOP plant design.

The latest financial modelling demonstrates that salt earnings are projected to deliver an attractive investment and debt profile.

Total Mardie expenditure increased from \$162.7M in FY22 to a cumulative total of \$409M by the end of FY23, including operating expenditure and enabling capital expenditure.

BCI's focus during the financial year was on advancing construction, completing the cost and design review, progressing funding and offtake discussions, and progressing approvals needed to complete the Mardie Project. First Salt on Ship (FSOS) is anticipated to be delivered in CY2026.

Market analysis undertaken in FY23 indicated that at Mardie's projected FSOS date, the target Mardie salt market will be in deficit. As a result, the long-term salt price forecast from two independent market experts' projects higher salt prices in coming years, and a long run price between US\$62/t and US\$67/t CIF (2023\$).

During FY23, BCI's salt offtake discussions have progressed well with several interested counterparties throughout the Asian market. In June 2023, BCI announced potential offtake relationships with Japan's Itochu Corporation and PT Mineral Industri Indonesia (MIND ID) in early July 2023. BCI is actively seeking to further progress these and other offtake discussions through FY24, particularly as demand for high-purity salt is projected to grow.

The design and cost review process, as announced in June 2023, increased the robustness of the Project's design and confidence in cost forecasts, supported by quantitative risk assessments by external experts. This, together with the improved commodity prices, has resulted in robust financial returns.

The necessary approvals to finalise the construction of the Project further progressed during FY23. Native Title agreements remain in place and the Port ILUA has been successfully finalised. Additionally, BCI achieved a significant milestone in December 2022, with the gazettal and proclamation of the Port of Cape Preston West.

These approvals enabled BCI to continue delivering critical path milestones and, as at the end of June 2023, the overall project progress stands at approximately 24.9%.

Construction has focussed on the brine circuit (seawater intake, evaporation ponds and transfer stations), marine works, and access works during the year, with BCI achieving several milestones. The primary seawater intake station was completed during FY23, along with the 400-bed accommodation village (with the final occupancy certificates received in September 2022). BCI staff and contractors are currently occupying the village.

Progress on evaporation ponds continues to make headway with the completion of ponds 1 to 4 and pond 5 at 95% complete as at 30 June, marking a significant milestone at the end of the year with only rock protection to be applied. Following the application of rock, ponds 1 and 2 will be ready to accept brine from the primary seawater intake station once environmental approvals are received. These are expected before the end of CY23.

The road construction packages are on track, with the North South Road and Mardie Road reaching 70% completion by 30 June 2023. Additionally, the Northwest Coastal Highway intersection was 100% complete at the end of FY23. This will provide safe access to site for the life of operations and during heavy haulage campaigns for construction.

Significantly, marine structures design and construction contractor McConnell Dowell (MCD), mobilised to site during the year. Activity in May saw the installation of the first pile at the jetty island, signalling the commencement of the 2.4 km purpose-built jetty, and overall progress has advanced to 35% at the end of the financial year.

More than half of the design and engineering for the Project 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 (raw material for SOP production) crystallisers is scheduled for completion in August 2023.

BCI is pleased to have the continued support from its shareholders. In December 2022, shareholders approved the issue of \$100M of convertible notes to AustralianSuper, and a further \$60M of convertible notes issued to Wroxby and AustralianSuper were approved by shareholders in June 2023. Of these, \$100M was drawn in December 2022 and \$60M in July 2023, allowing BCI to award further contracts and support the expected construction spend into Q4 CY2023.

Project financing discussions are in an advanced stage, with the continued support of existing lenders, and the potential addition of Export Development Canada (EDC), who have provided a Letter of Interest (LOI) to participate in BCI's project finance. Equity and offtake discussions are continuing to progress well with a number of parties, and further strategic investment is being explored.

FY23 has been a successful year for BCI, and the Board remains confident in the technical and economic potential of the Mardie Project. Once complete, Mardie is expected to deliver significant benefits for BCI, the community and the Australian economy for generations to come.

FY24 Focus

BCI's focus for FY24 includes the following:

- Safety remains the highest priority of BCI, particularly as the construction workforce grows on site, and pond operations commence in FY24.
- The primary focus of construction will be on advancing several essential facilities in accordance with critical path activities, continuing to develop the brine circuit, and extending jetty construction.
- BCI is continuing to focus on the funding of Mardie, with the immediate focus on the establishment of project finance facilities, followed by equity funding.
- BCI aims to enter into binding offtake agreements for salt production during FY24.
- Approvals will also be progressed during FY24.
- The BCI business aims to continue to improve its business and operational capability and respect its social licence to operate as it grows over FY24.

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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 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% K₂O) 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 shareholdings in Highfield Resources Limited (ASX:HFR) and Agrimin Limited (ASX:AMN) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

KEY STATISTICS

Shares on issue:	1,213.3M	As at 30 June 2023
Cash in bank:	\$109.5M	As at 30 June 2023
Board:	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
Major shareholders:	Wroxby Pty Ltd	39.3%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.1%
Website:	www.bciminerals.com.au	

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.



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