

## PROJECT FINANCE UPDATE: \$650M DEBT FUNDING APPROVALS SECURED FROM NAIF AND EFA

### Highlights

- **BCI is pleased to announce that credit approvals for \$650M of project finance for the Mardie salt project<sup>1</sup> have been received from key Government debt providers**
- **Northern Australia Infrastructure Facility (NAIF) has approved a \$490M project finance facility for the Mardie salt project with a 15-year tenor**
- **Export Finance Australia (EFA) has approved a \$160M project finance facility for the Mardie salt project with an 11-year tenor**
- **Financial Close of the project finance is subject to completing detailed facility documentation and satisfying typical project finance conditions precedent**

BCI Minerals Limited (ASX: BCI) ('**BCI**' or the '**Company**') is pleased to announce it has received approvals, subject to satisfying typical project finance conditions precedent, for \$650M of project finance debt for the Mardie Salt Project ('**Project**'), which includes all components of the Mardie project other than the SOP Plant. As advised in BCI's FY23 results presentation, debt funding for the SOP Plant is proposed to be progressed during 2024 following completion of further design and cost development.

The proposed Project debt financiers announced in 2021 remain key proponents of the Project financing, including the federal government bodies NAIF and EFA, and the commercial banks. The Project debt financing is fully underpinned by salt revenues only.

The project finance package includes the following:

- A total of \$650M of Australian Federal Government funding split between a \$490M, 15-year facility from NAIF and a \$160M, 11-year facility from EFA, for the Mardie salt project. The credit approval from EFA has increased by \$50M since the original credit approval was received in 2021. This renewed support for funding recognises the long term benefits the Project will bring to the region, Western Australia, and Australia over its 60+ year life. This includes ~\$8B of corporate taxes, \$800M in state royalties, \$200M of native title payments<sup>2</sup>, global exports, multi-user export infrastructure, local jobs and contracts and Indigenous engagement. The majority of Mardie's industrial grade salt production will be exported to markets in Japan, South Korea, China, Taiwan, Indonesia and other Asian countries.

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<sup>1</sup> Credit approvals from NAIF and EFA relate to the "Mardie salt project", which includes all components of the Mardie Project other than the sulphate of potash (SOP) plant.

<sup>2</sup> ~\$8B of corporate taxes, \$800M in state royalties, \$200M of native title payments are based on anticipated benefits from the complete Mardie Salt and Potash Project.

- Commercial Bank funding is proposed to include a \$180M, 7-year construction facility, an \$81M cost overrun facility and a \$70M bank guarantee facility for bonds required under construction or operating contracts. BCI expects to be in a position to announce credit approvals from two leading commercial banks for a minimum of \$150M in the near future, which will provide part of these requirements.

BCI expects to obtain Green Loan accreditation for the commercial facilities, given the strong ESG credentials of the Mardie Project. The Green Commercial Loan Facilities will align with the Asia Pacific Loan Markets Association's Green Loan Principles, the international market standard for Green Loans. More than 99% of the energy required to produce salt and SOP during the operations phase at the Mardie Project will be derived from natural solar and wind sources. Meeting the criteria for pollution prevention, materials recovery, materials re-use and agricultural fertiliser production from salt waste through sustainable means is key to establishing Green Loan eligibility.

In addition to the credit approved facilities, BCI has received a non-binding letter of interest from Export Development Canada (EDC) to potentially participate in the project finance. EDC's interest is relatively recent and in connection to planned equipment and services supply from Canadian companies. The provision of financing by EDC is subject to the successful completion of its due diligence process and the satisfaction of typical project finance conditions.

All facilities remain conditional on formal documentation, securing required tenure and approvals for the optimised feasibility study area, equity funding, offtake arrangements, and satisfying other customary conditions precedent that are associated with the loans. BCI is targeting completion of formal debt documentation by H1 FY24 and first draw down of debt in H2 FY24, subject to satisfying all relevant conditions precedent.

Approval of these loans follows the detailed design and cost review undertaken by BCI in FY23, and detailed due diligence by NAIF, EFA and bank nominated independent experts, including technical, social, governance, environmental and market teams.

BCI and its debt advisor, KPMG Corporate Finance, are progressing discussions with a range of financiers, including EDC, to provide the ~\$181M project finance requirement for Mardie salt not provided by NAIF, EFA and the two commercial banks referred to above.

BCI's Managing Director, David Boshoff said: *"Securing \$650M of long-term project finance approvals is an important milestone for the Mardie Project, which helps underpin the completion of the project. The participation of NAIF and EFA is a sign of confidence in the technical, economic and green credentials of the Project, and is a strong validation of Mardie's potential. BCI will now progress to obtain the remaining credit approvals required, complete the project finance, and seek to raise the required equity for Mardie Salt".*

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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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## ABOUT EXPORT FINANCE AUSTRALIA

EFA is Australia's export credit agency.

EFA provides commercial finance for export trade and overseas infrastructure development. From small and medium sized enterprises to large corporates, foreign Governments and infrastructure projects, EFA helps Australian businesses take on the world. In doing so, EFA finance supports Australia's economic security and regional resilience.

EFA administers the Australian Government's National Interest Account, which currently includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

## ABOUT NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government development financier, investing for impact in Northern Australia. NAIF's primary purpose is to accelerate infrastructure development and thereby drive transformational growth in northern Australia by innovative financing that:

- Generates public benefit including that outside of what is captured by the project proponent.
- Encourages longer term growth in the economy and population of northern Australia.
- Encourages private sector participation in the financing of northern Australia's infrastructure needs; and
- Facilitates sustainable Indigenous participation, procurement, and employment outcomes.

For more information, visit: [www.naif.gov.au](http://www.naif.gov.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 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, Bungaroo South, Kumina and Nullagine.

## KEY STATISTICS

<b>Shares on issue:</b>	1,213.3M	As of 30 June 2023
<b>Cash in bank:</b>	\$109.5M	As of 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 obligation to update or revise any forward-looking statement contained in this announcement or its attachments. Except for statutory liability which cannot be excluded, BCI, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission.