

## MARCH 2024 QUARTERLY REPORT

- **“Salt First” component of Mardie Project completion at 38.8%, with no contingency utilised<sup>1</sup>.**
- **Transfer station 2/3 has been completed, which will facilitate the transfer of brine from Pond Two to Pond Three when operations commence.**
- **The Jetty has progressed to over a kilometre long, reaching the 41<sup>st</sup> set of piles.**
- **Mining Leases M08/538 and M08/539, for the Optimised Mardie Project (OMP) have been granted by the Minister for Mines.**
- **Final approval received from the Commonwealth for the Illumination Management Plan.**
- **The Western Australian Department of Water and Environmental Regulation approved the Groundwater Monitoring and Management Plan.**
- **Binding Offtake agreement signed with PT Chandra Asri Pacific Tbk subsidiary for the sale of BCI’s high-purity salt.**
- **Cash balance of \$352.2M as at 31 March 2024.**
- **Completed funding package for the “Salt-First” component of the Mardie Project with the completion of the \$315M Equity Raise<sup>2</sup>.**
- **BCI appointed Dr Shaun Meredith as Head of Approvals and Government Relations.**

BCI Minerals Ltd (ABN 21 120 646 924) (ASX: BCI) (BCI or the Company) presents its quarterly activities report for the period ended 31 March 2024.

### HEALTH AND SAFETY

This quarter saw a continued focus on fatality prevention, with verification targets exceeded and continued assurance of the fatality prevention Critical Control Verification process. This also resulted in opportunities to learn and improve.

From a psychosocial perspective, BCI rolled out Respectful Behaviours training with a particular focus on raising awareness to ensure a psychologically safe workplace. The emergency and medical response support model was also reviewed and resulted in an increase in medical capability on the project. The TRIFR (Total Recordable Injury Frequency Rate) on a rolling 12-month basis was 10.8 at the end of March, with no Lost Time Injuries during the quarter.

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<sup>1</sup> The base case capital requirements of the “salt first” phase of the Mardie Project are \$1,287 million plus contingency of \$156 million.

<sup>2</sup> Refer to ASX announcement dated 01/02/2024 “A\$315 Million Fully Underwritten Equity Raising Launched”. Refer to ASX announcement dated 20/12/23 “Syndicated Facility Agreement for the Mardie Project Finance Debt Completed”. The project finance debt facilities remain subject to satisfaction of conditions precedent to financial close and first utilisation.

## MARDIE SALT AND POTASH PROJECT

### Project Update

The “salt -first” component of the project has achieved an overall progress rate of 38.8% at the end of March, with substantial developments across various aspects of the project.<sup>3</sup>

The gas corridor rock armour delivery and placement reached completion in the March quarter, including road furniture installation and rehabilitation works. Additionally, Ponds Three to Five have been fully constructed.

Construction activities on Ponds Six to Seven are progressing, and the 6.6km drainage corridor and sea wall for Pond Six are underway.

Transfer station 2/3 has been completed with QETRA delivering the Structural, Mechanical, Piping, Electrical and Instrumentation (SMPE&I) fabrication, assembly, and construction works. The switch room and motor control centre have also been installed, and control system commissioning works have commenced. Civil works on transfer station 3/4 have also been completed, with the Structural, Mechanical Piping (SMP) contractor commencing mobilisation.

The marine package has reached 54% completion with the Jetty length extending to over a kilometre and reaching the 41<sup>st</sup> set of piles (J41). Roadways, primary steelwork, roadways precast, and conveyor trusses are partially installed, while foundations and civil works for the take-up tower are in progress. Permanent materials are being progressively delivered to Mardie from the Karratha storage yard.

Q-Birt was awarded the contract for civil works on the primary, secondary, and KTMS crystallisers, with mobilisation and large-scale earthmoving equipment arriving at site during the quarter. Mesquite clearing continued with 239 hectares cleared in the crystalliser area, and foundation preparation of the first embankment walls has commenced.

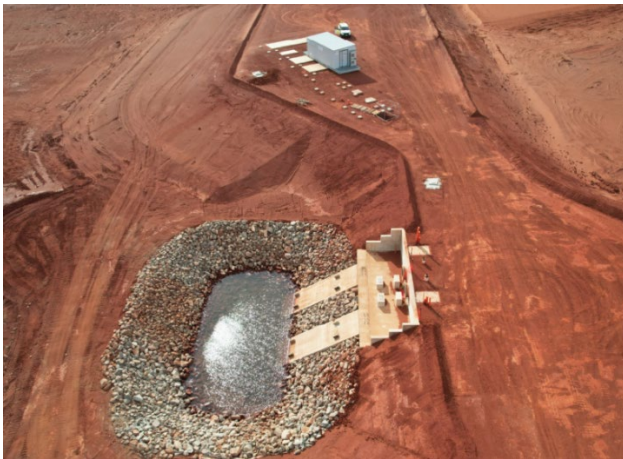


*Figure 1: Pond 6a levee*



*Figure 2: Transfer station 2/3*

<sup>3</sup> The base case capital requirements of the “salt first” phase of the Mardie Project are \$1,287 million plus contingency of \$156 million.



**Figure 3: Transfer station 3/4 civil works complete**



**Figure 4: Jetty permanent road and conveyor truss**

Engineering and design have also seen significant progress, with the secondary seawater intake channel and associated infrastructure design now complete. The salt wash plant FEED design and pilot testing have also been completed, and testing equipment has been supplied and commissioned. Additionally, the optimised design for the Pilbara Ports Authority (PPA) access road has been submitted, and preliminary PPA review responses have been received.

BCI is also progressing Power Generation and Distribution BOOT contract tendering.

Total expenditure on project development during the March quarter was \$54.5M.

With substantial progress on construction and a total capital investment of \$512M to 31 March 2024, BCI is pleased to report that none of the \$156M contingency has been used to date.

## **Sustainability and Approvals**

A key milestone achieved in the quarter was final approval for the Illumination Management Plan, granted on 31 January 2024 by the Commonwealth Government, enabling night works to commence where appropriate.

During the March quarter, BCI also worked closely with the State and Commonwealth Governments, resulting in BCI achieving several key approval milestones that bring us a step closer to commencing operations, which includes starting to fill pond 1, by the end of H1 CY24 and commencing construction of the Optimised Mardie Project (OMP) development envelope.

The *Department of Energy, Mines, Industry Regulation and Safety* advised BCI that the State Minister for Mines and Petroleum approved the grant of Mining Leases M08/538 and M08/539 for the OMP on 2 April 2024. These leases align with the State environmental approval obtained in October 2023 through Ministerial Statement 1211 from the State Minister for Environment.

Further, BCI also received approval for its Groundwater Monitoring and Management Plan (GMMP) from the Western Australian *Department of Water and Environmental Regulation* on 3 April 2024.

This approval requires BCI to update the groundwater modelling using data collected while the first three evaporation ponds (ponds 1, 2 and 3) are being filled. This will ensure the most accurate groundwater modelling is available to inform the filling of the remaining ponds and crystallisers. Further approval of the

GMMP will be required for Ponds Four onwards, following the submission of updated groundwater modelling from the first three ponds.

BCI continues to work diligently with the Commonwealth *Department of Climate Change, Energy, the Environment and Water (DCCEEW)* to secure approval for both the GMMP and the Research Summary Offsets Plan (RSOP).

Under the RSOP, BCI will allocate approximately \$2.5M for regional-scale flora studies and an additional \$672,000 for research on threatened fauna along the Pilbara coastline. In partnership with the Western Australian Marine Science Institute, this research will provide vital ecological data to support strategic conservation initiatives in the Pilbara region.

As previously announced<sup>4</sup>, an approvals strategy has been agreed with DCCEEW, aiming to obtain all outstanding Commonwealth environmental approvals in H1 CY24, including the OMP approval.

BCI is also focused on acquiring secondary approvals necessary for clearing and construction in the OMP area. These include demonstrating no adverse impact on the Robe River Delta Mangrove Management Area, re-approval of the Migratory Bird Monitoring Plan from the State and finalising the Impact Reconciliation Procedure.

Once the remaining Commonwealth approvals have been received, the Company will provide an updated First Salt on Ship (FSOS) estimate. At present, the Company continues to target FSOS in H2 CY26.

## SALT MARKET ACTIVITY

As expected, given the annual contracting cycle commences during June to set the CY25 prices, both salt and freight costs within the region have been relatively stable across the March 2024 quarter. During the June 2024 quarter, Asian salt market participants will be preparing for the annual sales contracting cycle which is expected to be concluded in the September quarter.

**Table 1: Quarterly Salt CFR Pricing**

| Product  | Region   | Movement | Price (CFR)    |
|----------|--|----------|----------------|
| Salt CFR | Quarterly import prices of salt into Asia (excluding China) <sup>5</sup> | Stable   | US\$50~\$52/mt |
| Salt CFR | Chinese Domestic supply (East Coast) <sup>6</sup>                        | Stable   | US\$44~52/mt   |

### Offtake

As announced in March<sup>7</sup>, BCI has entered into a binding Offtake agreement with a PT Chandra Asri Pacific Tbk subsidiary to supply salt from the Mardie Project over a three-year term, with the option to extend for an additional three years. This agreement establishes contract volumes of 300,000 tonnes per

<sup>4</sup> Refer to ASX Announcement dated 08/04/2024 "Mardie Project Update: Approvals".

<sup>5</sup> Source: Global Trade Tracker.

<sup>6</sup> Source: Chinese Chlor-Alkali Industry Association.

<sup>7</sup> Refer to ASX announcement 21/03/24 "BCI Signs Binding Salt Offtake Agreement"

annum in year one, increasing to 600,000 tonnes per annum in years two and three to align with the ramp-up of the project.

This Offtake agreement is a pivotal step forward in meeting the Offtake requirements needed as a condition precedent to drawdown on BCI's debt facilities. BCI looks forward to collaborating with Chandra Asri as they proceed with construction of a new Chlor-Alkali plant in Java, which BCI will supply with salt.

Following the previously announced execution of the Term Sheet with Itochu, both parties continue to work positively towards concluding a binding offtake agreement. The parties have mutually agreed to extend the negotiations to 31 May 2024.

BCI and Wanhua Chemicals are progressing the previously announced offtake agreement to ensure it meets the initial offtake test in the Mardie project finance documents.

## CASH AND DEBT POSITION

BCI's cash balance at 31 March 2024 was \$352.2M (31 December 2023: \$99.6M).

### Capital Management

BCI has successfully executed the funding package required for the "salt-first" portion of the Mardie Project<sup>8</sup>.

During the March quarter, the Company successfully completed a fully underwritten equity raising<sup>9</sup> of \$315 million through a \$255M non-renounceable entitlement offer and \$60M placement through the issue of 1.26 billion shares at 25 cents per share. The institutional component of the entitlement offer raised \$140.9M, and Tranche 1 of the placement raised \$47.5M, both amounts settling on 5 February 2024. The retail component of the entitlement offer was completed successfully on 28 February 2024, raising approximately \$114.1M while Tranche 2 of the placement raised a further \$12.5M at completion on 20 March 2024.

The net proceeds from the equity raising along with the \$981M in project debt financing available under the Syndicated Facility Agreement ("SFA") announced by the Company on 20 December 2023<sup>10</sup>, completes the funding requirements necessary to complete the "salt-first" portion of the Mardie Project.

In addition to the completion of the equity raising, BCI issued a total of approximately 410M shares upon the conversion of convertible notes held by Wroxby Pty Ltd, AustralianSuper Pty Ltd as trustee for AustralianSuper, Ryder Capital Limited and Ryder Capital Management Pty Ltd. Conversion of these notes satisfied BCI's repayment and interest obligations under these convertible notes. The AustralianSuper Series 1 and Series 3 convertible notes remain in place.

During the quarter BCI has made material progress in meeting the conditions precedent ("CP") to Financial Close of the SFA. The Company continues to progress work on the outstanding CPs, including but not limited to approvals, expert report updates and other typical project finance CPs, which BCI aims to fulfil during Q2 CY24. The first drawdown of the debt is anticipated in H2 CY24, subject to the

<sup>8</sup> The base case capital requirements for the entire Mardie Salt and Potash Project are A\$1,421 million plus contingency of A\$208 million, which includes the SOP plant which is not included in the "salt-first" phase. Refer to ASX announcement dated 01/02/2024 "A\$315 Million Fully Underwritten Equity Raising Launched". Refer to ASX announcement dated 20/12/23 "Syndicated Facility Agreement for the Mardie Project Finance Debt Completed." The project finance debt facilities remain subject to satisfaction of conditions precedent to first utilisation.

<sup>9</sup> Refer to ASX announcement dated 01/02/2024 "A\$315 Million Fully Underwritten Equity Raising Launched"

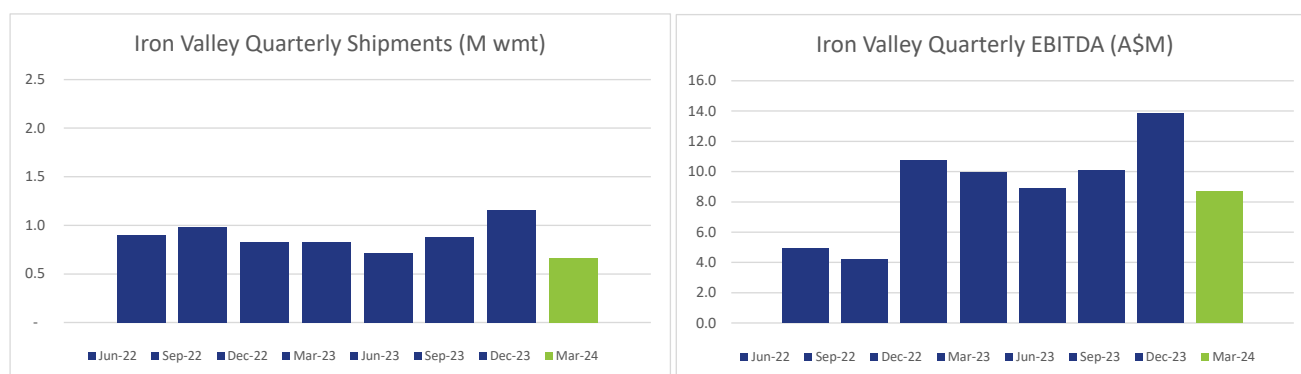
<sup>10</sup> Refer to ASX announcement dated 20/12/23 "Syndicated Facility Agreement for The Mardie Project Finance Debt Completed"

satisfaction of further conditions to first utilisation, including conditions relating to binding offtake agreements and the execution of a number of key project contracts.

BCI Managing Director David Boshoff said: *“While we continue to deliver on our cost commitments for construction works, I am very encouraged by the progress that has been made on approvals in recent weeks, and progress on offtake agreements, and the successful completion of key funding initiatives during the quarter. This marks a significant milestone for BCI as we continue to develop this world-class project”.*

## Iron Valley

BCI EBITDA from Iron Valley for the March 2024 quarter was \$12.7M from 0.7M wmt shipped iron ore for the quarter and adjustments for finalisation of prior period provisional pricing and volume adjusted income. The March 2024 quarter result reflects provisional FOB prices based on an average headline 62% Fe iron ore price of US\$121/t (prior quarter US\$127/t). Any required adjustments will be announced in future BCI announcements.



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

BCI is in ongoing discussions with Mineral Resources Limited (ASX:MIN), which operates the Iron Valley mine, in relation to mine planning and operational activities, and the future of the mine. As previously reported, MIN has advised BCI that mining in the central pit will be completed by the end of FY24. BCI will continue to progress plans to maximise the value of this asset, including potential monetisation.

## EXECUTIVE APPOINTMENTS

BCI appointed Dr Shaun Meredith as Head of Approvals and Government Relations in March 2024. Dr Meredith has over 20 years of experience across the State Government, public research, and university sectors, where he has held several Director roles with a core focus on environmental assessment. His proven track record demonstrates an ability to balance environmental sustainability with economic development objectives.

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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 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 a substantial shareholding 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>    | 2,884M   |                        |
| <b>Cash in bank:</b>       | \$352.2M   | As at 31 March 2024    |
| <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   | 35.8%                  |
|                            | AustralianSuper Pty Ltd  | 31.5%                  |
|                            | Ryder Capital Ltd (and related)                                    | 9.2%                   |
| <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.