

SALE OF IRON VALLEY

- **BCI to sell Iron Valley assets to Mineral Resources and receive up to \$72.6M.**
- **Transaction delivers cash flow certainty to fund non-Mardie expenditure.**
- **BCI will continue focus on safely delivering the Mardie Project.**

BCI Minerals Limited (ASX: BCI) (**BCI** or the **Company**) is pleased to announce that its wholly-owned subsidiary Iron Valley Pty Ltd (**IVPL**) has entered into a binding agreement to sell its Iron Valley iron ore assets to Polaris Metals Pty Ltd (**Polaris**), a wholly owned subsidiary of Mineral Resources Limited (**MinRes**) (ASX:MIN) (**Transaction**).

The key terms of the Transaction are:

- IVPL will receive **\$26.0M** at completion of the Transaction (expected to be in July 2024), and a further payment of **\$12.5M** contingent on commencement of mining at the Iron Valley North Pit by Polaris (or a successor in title).
- The existing Iron Ore Sale and Purchase Agreement (**IOSPA**) with MinRes will terminate upon completion of the Transaction. BCI will receive a final deferred payment of **\$34.1M** in July 2025 in settlement of all outstanding amounts under the IOSPA (including for the period from 1 January 2024) and in consideration for terminating the IOSPA.
- Polaris will assume responsibility for payment of state and third-party royalties and rehabilitation obligations in relation to the Iron Valley mine with effect from 1 May 2024.
- Subject to the receipt of Ministerial consent for the transfer of the Iron Valley tenements to Polaris, the transaction is expected to complete in early July 2024.
- Either party may terminate the Agreement if the condition is not satisfied by early September 2024.

Aligned with our strategic objective to develop an industrial minerals business with Salt and SOP as our initial focus, this divestment creates value for shareholders, simplifies our operations, and strengthens our focus on the Mardie project.

As part of the FY24 financial close process, the assets and liabilities of IVPL will be reclassified as Current Assets Held for Sale. BCI is expected to make a gain on the sale of these assets.

Delivers cash flow certainty – BCI's non-Mardie expenditure is funded through the proceeds from Iron Valley iron ore sales which are exposed to volume, price and exchange rate risk. Under the terms of the Transaction, BCI will receive payments totalling \$60.1M across July 2024 (subject to Ministerial consent) and July 2025 and a further \$12.5M contingent upon the commencement of operations in the Iron Valley North Pit.

Continued focus on safely delivering the Mardie Project - The Iron Valley mine and the collaboration with MinRes has contributed positively to BCI for over 10 years. While Iron Valley has been a significant

asset for BCI, this is an appropriate time for BCI to divest the Iron Valley assets and strengthen our focus on the delivery of the Mardie Project.

BCI's Managing Director, David Boshoff, said: *"BCI appreciates the successful partnership it has had with MinRes and welcomes the opportunity to sell the Iron Valley assets. The proposed sale is a strategic decision that enables BCI to realise \$60.1M certain value for these assets, plus a further contingent \$12.5M, and continue to focus on safely delivering the Mardie Project on schedule and on budget, providing value to our shareholders and multi-generational benefits to the community. We thank MinRes for its long and rewarding partnership with BCI and wish MinRes well for its future ownership of Iron Valley."*

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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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