

June 2024 Quarterly Report

23 July 2024

BCI Minerals Ltd (ASX: BCI) (“BCI” or “the Company”) is pleased to present its quarterly activities report for the period ended 30 June 2024.

In this Report

[People & Community](#) →

[Our Focus](#) →

[Corporate](#) →

[About BCI Minerals](#) →

Key Performance Metrics

| | Jun Q4 FY24 | Mar Q3 FY24 | Dec Q2 FY24 |
|---|-------------|-------------|-------------|
| Total Recordable Injury Frequency Rate | 6.4 | 10.8 | 8.8 |
| Cash in bank | \$259M | \$352M | \$100M |
| Available debt funding¹ | \$911M | \$911M | \$911M |
| Cumulative Expenditure on Mardie² | \$690M | \$575M | \$459M |
| Overall Project Progress³ | 44% | 39% | 31% |

¹ Total project Debt Facility of \$981M, consisting of an \$830M construction loan facility, an \$81M cost overrun facility and additionally a \$70M bank guarantee facility. The Debt Facility is subject to satisfying the conditions precedent for financial close and first utilisation

² Cumulative expenditure on Mardie of \$690M is inclusive of \$572M in capital expenditure and \$118M in indirect costs.

³ The base case capital requirements of the salt first phase of the Mardie Project are \$1,287M plus a contingency of \$156M.

HIGHLIGHTS



People & Community

- Continued focus on fatality prevention measures and reducing Total Recordable Injury Frequency Rate.
- Experienced industry professional Tammie Miller appointed as Head of External Affairs.
- Inaugural Health, Safety, Environment and Community Forum hosted at the Mardie Project.



Mardie Salt and Potash Project

- Salt-first construction 44% complete and targeting for first salt on ship (FSOS) in Q2 FY27.
- Construction of export jetty progressed over 2km of the planned 2.4km length.
- A \$598M transshipment services agreement signed with CSL Australia Pty Ltd for a term of 21 years.
- The Commonwealth Government provided notice that it proposes to grant environmental approval for the Optimised Mardie Project and also provided draft conditions to BCI and government stakeholders for consultation, in accordance with the standard statutory process. BCI continues to work with the Commonwealth Government in this regard and expects Ministerial approval in Q1 FY25.
- Research Offsets Plan approved with more than \$3.2M to be spent on flora and fauna research.



Corporate

- Material progress in meeting the Conditions Precedent (CPs) to enable Financial Close of the Syndicated Financial Agreement.
- Successful divestiture of Iron Valley assets occurred on 2 July 2024.

“BCI Minerals has made solid progress this quarter in infrastructure construction, regulatory approvals, and community engagement. These milestones underscore our dedication to progressing the Mardie Project while prioritising safety, disciplined cost management with an owner’s mindset and adding value to our stakeholders.”



Managing Director
David Boshoff



PEOPLE & COMMUNITY

Health and Safety

Throughout the June quarter, BCI Minerals maintained a strong commitment to fatality prevention activities, surpassing verification targets and ensuring continued focus on its Critical Control Verification process.

The Company also held its inaugural Health, Safety, Environment and Community Contractor Partnering Forum at Mardie. The Forum focused on a revised approach to our Leadership in the Field programme with our contracting partners. This revised approach leans on the Du Pont ‘Felt Leadership’ Model principles through influencing behaviour, attitudes, relationships and systems. The Forum also included a focus on ensuring a psychologically safe workplace with respectful behaviours.

During the quarter, two of BCI Minerals’ main contracting partners underwent health and safety audits to ensure alignment to the Company’s requirements in delivering the Mardie Project safely.

Community

BCI Minerals hosted its inaugural Health, Safety, Environment, and Community forum, engaging with key community stakeholders and contractors. The event featured a Welcome to Country by a Marduthunera Elder.

Some BCI Minerals employees joined Traditional Owners on a visit to the Keeping Place, where the Traditional Owners shared their knowledge about artifacts collected at Mardie.



During the quarter, BCI Minerals initiated the Student Support Program with Karratha Senior High School, providing essential resources to students in need. The company also launched the BCI Minerals Allied Health and School Leavers Scholarships in partnership with the Pilbara Kimberley University Centre to support local students pursuing tertiary education.

BCI also sponsored the Pilbara Summit 2024, which brought hundreds of government, industry and community stakeholders together to discuss opportunities and challenges crucial to the Pilbara region’s future success.

Senior Leadership Appointment

BCI Minerals appointed Tammie Miller as Head of External Affairs in June 2024. With over 25 years of experience in strategic communication, government relations, and stakeholder engagement, primarily within the resources sector, Ms. Miller joins BCI from senior roles at the Munderoo Foundation and nearly 12 years at BHP, where she managed government relations and communications for WA and Australian operations. She has also served various organisations, government departments, and not-for-profits as a consultant and performance coach in external affairs and strategic leadership.

OUR FOCUS: THE MARDIE SALT AND POTASH PROJECT

Project Update

The salt first component of the project achieved an overall progress rate of 44% by the end of June.

This includes near completion of the embankment and rock installation at Pond 6, with Pond 7 earthwork advancing. Significant progress has been made on the crystallisers, with the first three cells almost complete.

Additionally, the jetty now extends over 2km of the planned 2.4km length.



Construction on the Mardie Project is progressing well, with the salt-first⁴ component of the Project, reaching an overall completion rate of 44% by the end of the quarter.

The marine package has reached 66% completion, with the jetty now extending more than 2kms of its 2.4km total length. Piles from Bent J1 to J73 have been driven, headstocks welded, and the primary steelwork for the roadways installed. Roadway precast and conveyor trusses are being progressively installed. Further shipments of jetty head components were delivered to Onslow during the quarter. These components will be assembled and barged to site, where they will be lifted into place at the jetty head once the ship-loader arrives.

Construction of pond embankments continued, with rock installation for the Pond 6 sea wall nearing completion and final embankment trimming in progress. Earthworks for Pond 7 are ongoing in tandem with the installation of the rock armour to over half of the sea wall.

The Primary, Secondary, and KTMS crystallisers have progressed well over the quarter, with construction at 10% completion overall.

Transfer Station 2/3 is complete, pending the remaining wet commissioning scope, which will be done using seawater. Construction at Transfer Station 3/4 continued this quarter, with mechanical works

⁴ The base case capital requirements of the salt-first phase of the Mardie Project are \$1,287M plus a contingency of \$156M.

completed and electrical cable installation ongoing. Civil works continued at Transfer Station 5/6, including detailed excavations, blinding, and the installation of pre-cast footings for the generators, fuel tank, and switch room. At Transfer Station 6/7, the pump retaining walls are complete, the transfer pipe is installed and backfilled, and the switch room footings are installed.

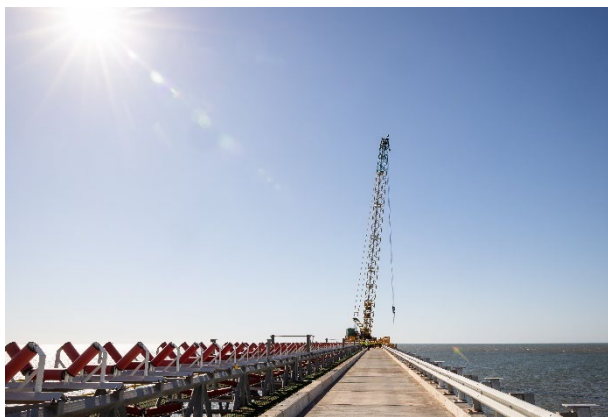


Figure 1: Jetty conveyor trusses and roadway



Figure 2: Pond 6 rock armour sea wall including spillway



Figure 3: Transfer station 5/6 generator and switch room footings installation



Figure 4: Crystalliser area

Engineering and design also saw significant progress during this quarter. Specifically, the Company has commenced work to optimise the secondary sea water intake and pump station design to optimise capital costs and enhance constructability.

BCI Minerals also completed the front-end engineering design for the salt wash plant and stockyards.

Equipment selection and testing for the SOP plant have been completed, and the Company is currently reviewing the outcomes of the pre-FEED. These inputs will be utilised for the FEED study, which is expected to commence in FY25.

Marking a major milestone for the quarter, BCI Minerals signed its largest project contract to date, a 21-year, \$598M transhipment services agreement with CSL Australia Pty Ltd⁵.

Transhipment provides BCI Minerals a strategic advantage by providing direct, efficient, and cost-effective access to key markets by loading ocean-going vessels up to Newcastle Max size. The agreement will be implemented in two phases: the first commencing in Q1 FY27 with CSL providing a

⁵ Refer to ASX announcement dated 01/07/24 "Transhipment Vessel Contract Signed"

time-chartered vessel for transshipment and the second beginning in Q1 FY28 with CSL operating a new, purpose-built vessel under a 20-year Build, Own, Operate, and Transfer contract.

Together with CSL, BCI Minerals expects to be well-positioned to meet market demand efficiently and sustainably.

BCI Minerals signed its largest project contract to date, a 21-year, \$598M transshipment services agreement with CSL Australia.

This long-term partnership with a leading global provider positions BCI Minerals to become a globally significant salt producer.



As at 30 June 2024, BCI Minerals had invested a total of \$690M in the Mardie Project, underscoring substantial construction progress. BCI applies an owner's mindset to the disciplined management of project costs.

Sustainability and Approvals

In early July, the Commonwealth Government approved BCI Minerals' Research Offsets Plan (ROP). Under the ROP, the Company will provide more than \$3.2M towards regional-scale flora studies and research on threatened fauna along the Pilbara coastline. These research initiatives, conducted in partnership with the Western Australian Marine Science Institute, O2 Marine and the University of Adelaide, aim to collect crucial ecological data that will inform strategic conservation efforts in the region.

The Commonwealth Government provided notice that it proposes to grant environmental approval for the Optimised Mardie Project and also provided draft conditions to BCI and government stakeholders for consultation, in accordance with the standard statutory process. Ministerial approval is subject to finalisation of those draft environmental conditions. BCI continues to work with the Commonwealth Government in this regard and expects Ministerial approval in Q1 FY25. This will complete all primary environmental approvals required to deliver the Mardie Project. Once this approval has been received, the Company will provide an updated FSOS estimate. At present, the Company continues to target FSOS by Q2 FY27.

Capital Management

As previously announced, BCI Minerals has successfully executed the funding package for the salt-first component of the Mardie Project⁶.

During the quarter, BCI made material progress in completing the CPs to enable Financial Close of the Syndicated Financial Agreement. The first drawdown of the project debt is anticipated in Q2 FY25, subject to the satisfaction of further conditions to first utilisation, including conditions relating to BCI's financial contribution, binding offtake agreements and the execution of key project contracts. The Chandra Asri offtake agreement⁷ and the CSL transshipment agreement are key steps to meeting these first drawdown CPs.

Salt Market Activity

As shown in Table 1, pricing in the salt market remained stable in the quarter. Pacific freight and bunker markets remained subdued during the June quarter, which resulted in stable salt pricing throughout the region. Preparations are underway throughout the Asian salt market for the negotiation of the FY26 supply contracts. It is notable that this will be the last bi-annual negotiations for the Japan, Korea and Taiwan markets before BCI Minerals' expected entry.

Table 1: Quarterly Salt CFR Pricing

| Product | Region | Movement | Price (CFR) |
|----------|--|----------|----------------|
| Salt CFR | Quarterly import prices of salt into Asia (excluding China) ⁸ | Stable | US\$52~\$54/mt |
| Salt CFR | Chinese Domestic supply (East Coast) ⁹ | Stable | US\$50~\$52/mt |

The exclusivity period with Itochu for the Japan, Korea and Taiwan markets has now expired and BCI Minerals has commenced commercial discussions with other Trading Houses who market in this region. BCI Minerals is targeting to execute a binding Offtake Agreement for this region over the next four months.

Iron Valley

BCI Minerals agreed to divest its Iron Valley assets in this quarter, and successfully completed the transaction on 2 July 2024. As announced in June¹⁰, the Company entered into a binding agreement with Polaris Metals Pty Ltd (Polaris), a wholly owned subsidiary of Mineral Resources Limited (MinRes), to sell its subsidiary, Iron Valley Pty Ltd, for a total maximum potential consideration of \$72.6M. The sale completed on 2 July 2024 and BCI Minerals received \$26M. A deferred payment of \$34.1M is to be paid during July 2025. Additionally, BCI Minerals will receive a \$12.5M contingent payment on Polaris (or a successor in title) commencing mining at the Iron Valley North Pit. This transaction is aligned with the Company's strategic objective to develop an industrial minerals business with salt and SOP as our initial focus and creates value for shareholders, simplifies operations, and strengthens the focus on the Mardie Project.

⁶ The base case capital requirements for the entire Mardie Salt and Potash Project are A\$1,421M plus contingency of A\$20M, which includes the SOP plant which is not included in the "salt-first" phase. Refer to ASX announcement dated 01/02/2024 "A\$315M 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.

⁷ Refer to ASX Announcement dated 21/03/24 "BCI signs binding salt offtake agreement"

⁸ Source: Global Trade Tracker.

⁹ Source: Chinese Chlor-Alkali Industry Association.

¹⁰ Refer to ASX Announcement dated 14/06/24 "Sale of Iron Valley"

-ENDS -

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 (>52% K₂O) via solar evaporation of seawater. Main construction of the Mardie Project commenced in early 2022.

(ABN 21 120 646 924)



FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements regarding project development and operations, timing of approvals and offtake agreements, production rates, project life, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. These forward-looking statements are based on BCI Minerals' current expectations and beliefs concerning future events at the date of this announcement and are expressed in good faith. BCI Minerals 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 that 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 Minerals 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 Minerals, 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.