

## JUNE 2021 QUARTERLY RESULTS

### RECORD IRON VALLEY EARNINGS; MARDIE APPROACHING FINAL INVESTMENT DECISION

- **Record quarterly Iron Valley EBITDA to BCI of \$32.2M; 60% higher than previous record**
- **FY21 Iron Valley EBITDA of A\$69.5M; 200% higher than previous record**
- **EPA recommended approval of the Mardie Project to the WA Minister for the Environment**
- **Mardie contracts totalling A\$129M awarded in 2021**
- **Board skills increased with appointment of Chris Salisbury as Non-Executive Director**
- **Cash balance of A\$79.4M<sup>1</sup> and zero debt**

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') is pleased to present its quarterly activities report for the period ended 30 June 2021.

### MARDIE SALT & POTASH PROJECT

#### Tenure and Approvals

During the quarter, the Western Australian Environmental Protection Authority ('EPA') recommended to the WA Minister for the Environment (Minister Amber-Jade Sanderson) that the Mardie Project can be implemented as proposed in the Environmental Review Document ('ERD'), subject to certain conditions. Subject to the completion of the final public appeals process, the Minister will consult with other WA Government Departments before making a final decision. Minister Sanderson visited the Mardie site as part of the review period (refer Figure 1), and the Deputy Premier & Minister for State Development, Roger Cook, also visited the site representing the Department of Jobs, Tourism, Science and Innovation, which is Mardie's Lead Agency.

The EPA recommendation includes a number of conditions regarding the construction and operation of the Mardie Project, which are materially consistent with BCI's designs, costings and implementation plans. Ongoing secondary approvals and optimisation approvals for new tenement areas and project footprint additions will continue to be progressed during the development phase of the Project.

BCI continues to work closely with the Pilbara Ports Authority ('PPA') and the Department of Planning, Lands and Heritage ('DPLH') to finalise the tenure and agreements required to develop the Mardie Port facilities within the new Port of Cape Preston West.

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<sup>1</sup> Excludes Iron Valley cash flow of A\$32.2M related to the June 2021 quarter which will be received in July 2021.

**Figure 1: Mardie Site Visit – Minister for Environment – May 2021**

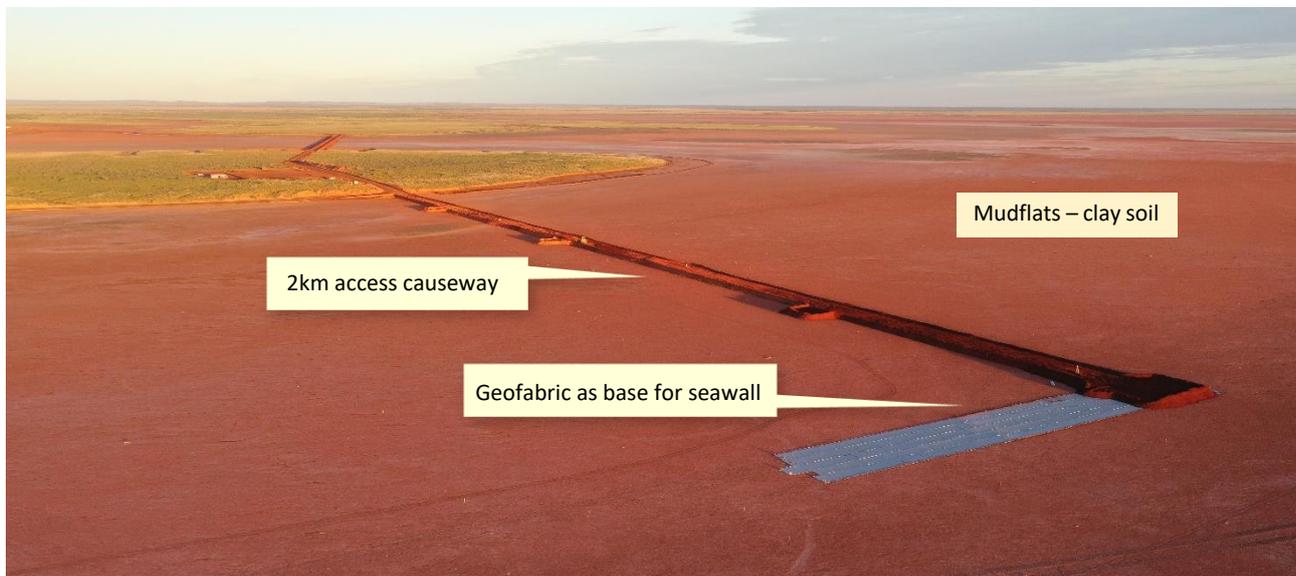


## **Mardie Site Activities**

The Mardie accommodation village has expanded to 80 beds from its initial 36 beds and design work for the staged expansion to a 400-bed village is advanced. The village contract has been awarded to Pilbara-based McNally Group who are scheduled to mobilise to site in August. All site facilities including offices, crib, ablution and generators have been procured and sub-contractor packages have been awarded for site electrical and hydraulic works and the wastewater treatment plant.

Embankment trial works are ongoing with WBHO International. A 2km causeway has been built to reach the trial area where construction is underway of a 1,000m x 600m trial pond, including a 1km section of the final 26km seawall. Geofabric is being laid to provide stability and the wall itself will be constructed in clay layers with geotextile and rock armour used as protection on the ocean side. At its base, the seawall is 20m wide and the clay layers measure 3m high. The purpose of the trial is to confirm construction methodology, the feasibility of construction on soft intertidal ground, embankment settlement, geotechnical and ground conditions, and suitability of equipment.

**Figure 2: Mardie Embankment Trial**



Contracts totalling \$129 million have been awarded in 2021 to date for the Mardie Project. During the period additional contract packages were put to tender for transshipping and the primary seawater intake pump station. An early contractor involvement ('ECI') process is ongoing for the port with two major marine constructors and expressions of interest ('EOIs') are being sought for other major contract packages. 182 EOIs have been registered to date on BCI's procurement portal which highlights and prioritises indigenous, Pilbara and Western Australian businesses.

### **Evaporation and Processing Trials**

Approximately 22 tonnes of raw salt have been harvested from the small-scale trial ponds at Mardie and processed through the salt wash pilot plant at Nagrom's facilities in Perth. Kainite-Type Mixed Salt ('KTMS') brine continues to be generated from which to produce sulphate of potash ('SOP') samples.

The first of two SOP pilot campaigns of Mardie-grown KTMS has been completed at SRC's laboratories in Canada. SOP product meeting market specifications has been produced and further optimisation work will be undertaken ahead of the second round of SOP piloting scheduled for late 2021.

Outcomes from these programs will assist with flowsheet finalisation and generate additional samples for test work by potential offtake customers.

## IRON VALLEY MINE

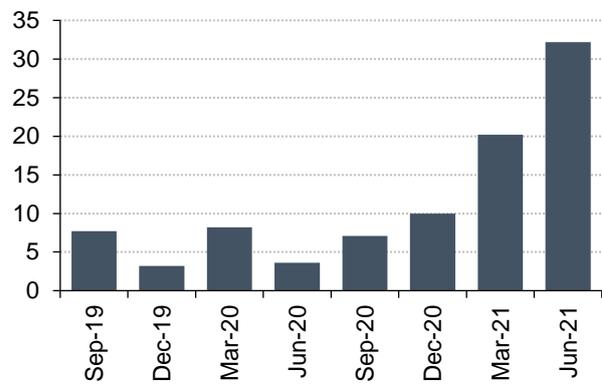
The June 2021 quarter produced a record result, with BCI EBITDA from Iron Valley of A\$32.2M, including a positive prior period adjustment of A\$6.0M, from 1.5Mt shipped. This represents a 60% increase on the previous record quarterly EBITDA achieved in the March 2021 quarter, due to ongoing strength in headline 62% Fe iron ore prices, which averaged nearly US\$200/t for the quarter, and completion of the 40% royalty rebate by BCI to Iron Valley operator, Mineral Resources Ltd (ASX:MIN), in March, 2021.

BCI's EBITDA for FY21 is A\$69.5M, a three-fold increase on the previous full year record of A\$23.1M in FY20.

**Figure 3: Iron Valley Quarterly Shipments (M wmt)**



**Figure 4: Iron Valley Quarterly EBITDA (A\$M)**



## CORPORATE

### Cash and Debt Position

BCI's cash balance at 30 June 2021 was A\$79.4M (31 March 2021: A\$76.1M) and the Company remains debt free. Additional Iron Valley EBITDA of A\$32.2M from the June 2021 quarter will be received in July 2021.

### Board Changes

Former Rio Tinto Iron Ore Chief Executive, Mr Chris Salisbury, was appointed to the BCI Board as Non-Executive Director during the quarter. Mr Salisbury's Rio Tinto role included the management of the Dampier Salt business which has the capacity to produce 10Mt of industrial salt per annum from 3 operations. Mr Salisbury brings important additional skills to the BCI Board, including in the areas of large-scale capital construction and operations, salt industry experience and sustainability strategy.

### Health & Safety

BCI has an excellent safety record and is highly focused on continuing to provide a safe working environment for its staff and contractors as site activities at the Mardie Project increase. There were no recordable injuries during the quarter and BCI has now recorded 6-years without a lost time injury ('LTI').

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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 company that is developing a salt and potash business supported by iron ore royalty earnings.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier 1 project located on the West Pilbara coast in the centre of Australia's key salt production region.

Mardie aims to produce 5.35Mtpa 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.<sup>2</sup> Using an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy, Mardie is a sustainable opportunity to supply the salt and potash growth markets in Asia over many decades. There is potential to optimise and expand the project beyond currently planned production levels.

With a Final Investment Decision expected in Q3 2021 and Main Construction to start in Q4 2021, first salt sales can be achieved by Q3 2024 and first SOP sales by Q4 2025.

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 EBITDA from Iron Valley was A\$69.5M in FY21.

## KEY STATISTICS

<b>Shares on issue</b>	599.6 million	
<b>Cash in bank</b>	\$79.4 million	as at 30 June 2021
<b>Board</b>	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Richard Court	Non-Executive Director
	Chris Salisbury	Non-Executive Director
<b>Major shareholders</b>	Wroxby Pty Ltd	39.6%
	Sandon Capital Pty Ltd	6.1%
<b>Website:</b>	<a href="http://www.bciminerals.com.au">www.bciminerals.com.au</a>	

<sup>2</sup> Refer to ASX announcement dated 21 April 2021. BCI confirms that all material assumptions underpinning the production forecast and financial information derived from the production forecast have not materially changed and continue to apply.