



BCI | Quick Comment | Mar'Q Report

BCI.ASX | BCI MINERALS LIMITED | MATERIALS | SALT

PRICE	TARGET PRICE	RECOMMENDATION
A\$0.39/sh	A\$0.50/sh	SPECULATIVE BUY
	(UNCHANGED)	(UNCHANGED)

Event

BCI is executing the globally significant Mardie high-purity salt project development on the Pilbara Coast, projected to be the third largest salt operation globally, and the largest in Australia, at 5.35 Mtpa steady-state, with construction at 81% complete.

The company reported its Mar'25 Quarterly Update with the following key points:

- Salt development **construction now 81% complete**, with cost of \$1,110m to date.
- Net debt now increased to \$438 million after \$50 million draw during the quarter, in-line with our forecasts. Importantly **remaining estimated construction cost of \$333 million is covered comfortably by available funding of \$522 million**.
- Tropical Cyclones Mitchell & Narelle caused significant rainfall over the Pilbara coast and the Mardie project area, impacting the salt density.** The timing of First Salt on Ship (FSOS) remains weather dependent and the company stated it is assessing the the salt production and ramp-up timeline, with a view to delivering first salt in a timely and efficient manner. **It appears this has impacted the DecQ FSOS target, but the quantum has not been defined/understood. The company is holding a market-wide call at 10am AWST today.**
- Positively though, post-quarter end, salt operations have resumed with pond density increasing and salt is reforming in the crystallisers.**
- Additional earnings streams being progressed;** Sulphate of Potash (SOP) high-value fertiliser by-product KTMS trial crystallisers transitioned from batch testing to steady-state operation. Two proponents are progressing the SOP pilot plant engineering design and cost estimate with one to be selected to commence FEED.
- Soft salt import pricing during the quarter (CFR: US\$45.5/t to Asia ex-China, US\$36.86/t to China), reflected weak demand/supply fundamentals. New demand from chlor-alkali plants under construction in India, China and Indonesia is expected to support stronger medium-term prices (we assume US\$60/t CFR with US\$11.2/t freight). Note, BCI has secured 62% offtake for the first three years of production.

Impact

BCI continues to de-risk with construction now 81% complete, on timing schedule and budget. The recent cyclones impact to first salt sales timing is yet to be quantified, with an understanding and communication of projected timing key. As a reminder, we model steady-state salt-only EBITDA of \$250 million p.a. with the potential to trade on a 10x+ EV/EBITDA multiple when online, given long-term (60 years) stable, low sustaining capex, high-margin returns, and a plan to payout 80-100% of FCF (~\$190m p.a.).

Action

Our Speculative Buy recommendation and \$0.50/sh Price Target are under review, noting an apparent impact to targeted first salt sales timing, and soft short-term salt pricing. Our Price Target is based on a risked sum-of-the-parts valuation, primarily built on earnings from the Mardie salt project. Additional opportunities (port-tolling, SOP) present meaningful medium-term earnings upside to our current valuation.

Catalysts

Mardie development progress (Qrtly), budget revision, first salt sales, SOP & 100%-owned Cape Preston West Port 3rd-party toll opportunity progression, Salt market pricing

Analyst

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Market Statistics		
Share Price	0.39	A\$/sh
Price Target (U.R.)	0.50	A\$/sh
Valuation	0.50	A\$/sh

Shares on issue (dil)	3218	m
Market Capitalisation	1255	A\$m
Enterprise Value	1693	A\$m
Net Cash/(Debt)	-438	A\$m

Prod Forecast (FY)	2026F	2027F	2028F
Salt	1.3	3.5	4.7
SOP	0	0	0.02

Assumptions	2026F	2027F	2028F
Salt CIF (US\$/mt)	60	60	60
SOP FOB (US\$/mt)	600	600	600
AUD/USD (fx)	0.68	0.70	0.70

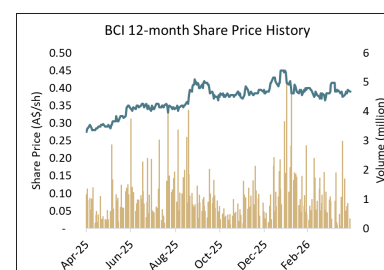
Key Financials	2026F	2027F	2028F
Revenue (A\$m)	116.7	300.2	419.1
EBITDA (A\$m)	15.1	135.2	213.1
Reported NPAT (A\$m)	-62.0	31.2	97.1

GrossCashflow (A\$m)	-50.2	62.4	139.4
Op. FCF (A\$m)	-283.0	-38.2	93.1
Net Cashflow (A\$m)	-169.6	-38.2	93.1

Div Yield (%) 0% 0% 0%

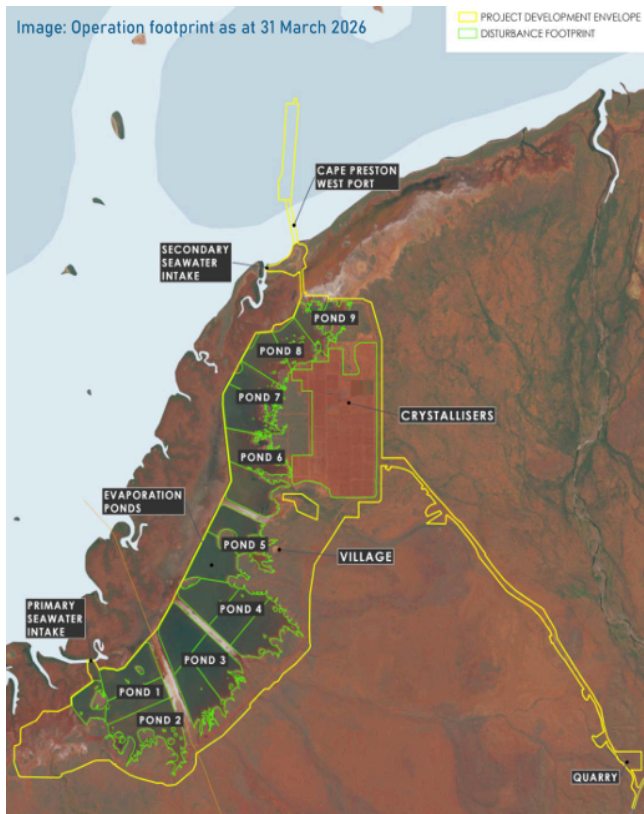
P/E (f.d.) na 40.4 13.0
EV/EBITDA 112.4 12.5 7.9

Performance



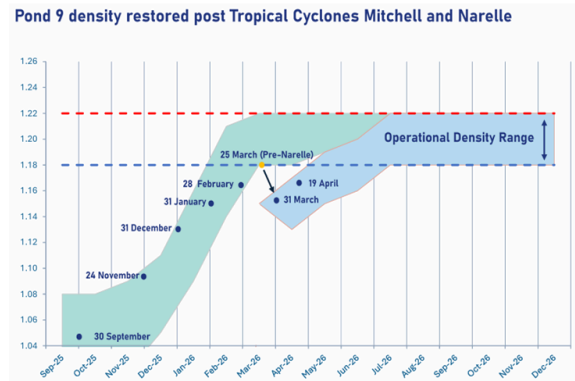
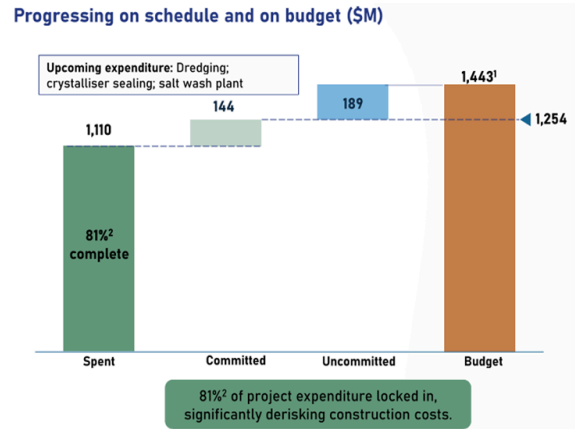
Source: IRESS

Figure 1: Mardie Project Overview (Ponds 1-9 Filled)



Source: Company Presentation

Figure 2: Construction, Budget and Pond 9 Density Schedule

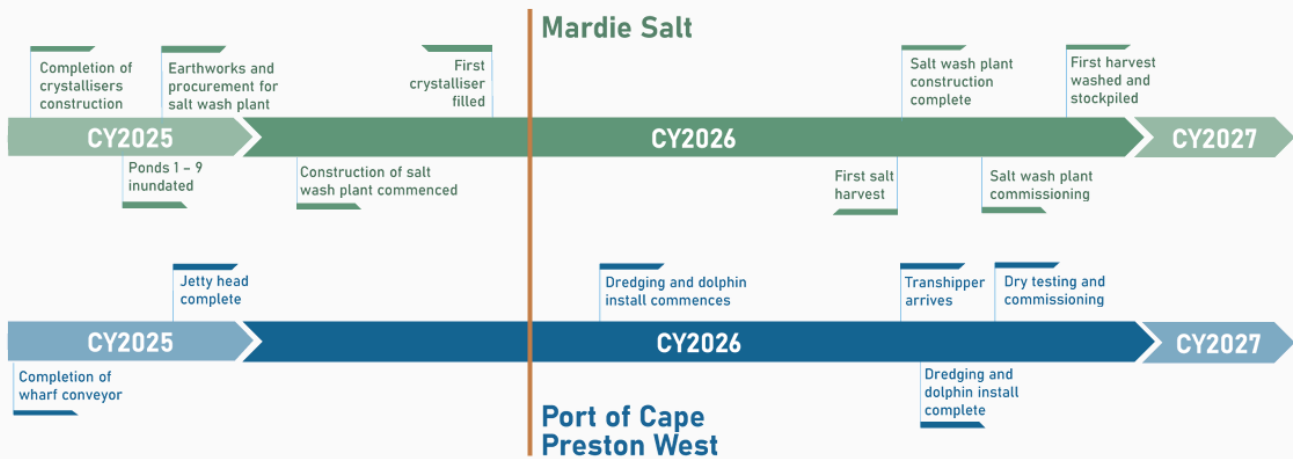


Source: Company Presentation

Figure 3: Mardie Revenue Streams Milestones

Salt-first Roadmap to Revenue

The chart outlines the major pre-FSOS milestones to achieve revenue from the salt business only. BCI remains committed to achieving timely FSOS, and the commercialisation of SOP and the Port of Cape Preston West.



Source: Company Presentation

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BCI Minerals Limited (BCI.ASX) | Price A\$0.39 | Target price A\$0.50 | Recommendation Speculative Buy;

Price, target price and rating as at 28 April 2026 (not covered)*

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