

NAIF APPROVAL OF A\$450M LOAN FOR THE MARDIE PROJECT

- **The Northern Australia Infrastructure Facility ('NAIF') has made an Investment Decision to provide a A\$450M loan facility with a 15-year tenor for the Mardie Salt & Potash Project**
- **The loan approval is subject to various conditions and completing facility documentation**
- **NAIF's positive decision follows detailed technical, approvals, financial and market due diligence over an extended period by NAIF and endorsed independent experts**
- **Mardie can generate significant third-party economic benefits for northern Australia and its development will include a new port facility available to other users**
- **This NAIF facility will account for a significant proportion of the full Mardie development funding requirement, with additional debt facilities being negotiated with commercial banks**
- **Subject to project approvals, tenure and funding being secured, the BCI Board targets a final investment decision by Q2 2021**

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') is pleased to advise that the NAIF Board has made an Investment Decision to approve a loan facility for the Mardie Salt & Potash Project, subject to certain conditions.

The NAIF loan facility is for a total of A\$450M to be used for construction and ramp-up of the Mardie Project and associated financing fees and costs. The facility will have an overall tenor of 15 years from financial close.

Mardie Minerals Pty Ltd, a wholly-owned subsidiary of BCI and owner of the Mardie Project, will be the borrower. The loan will be senior secured on a pari passu basis with the commercial bank and any other senior secured debt tranches.

The NAIF loan approval is subject to BCI demonstrating meaningful progress with the Mardie Project by 31 March 2021 (or such later date agreed with NAIF), facility documents being entered into between the parties and satisfaction of conditions to funding, including:

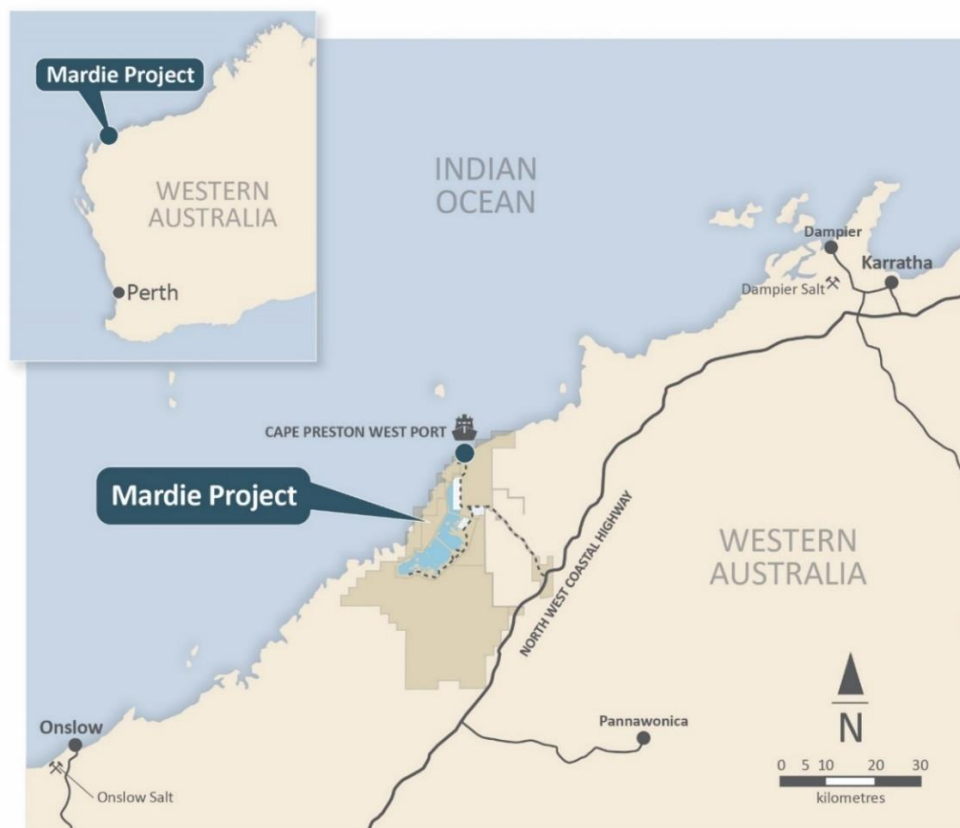
- Conclusion of the Federal Minister's consideration period as outlined in the NAIF Act 2016;
- Finalisation of the State Government's consideration of the Project and its agreement for the approved funds to be advanced;
- Completing other debt and equity funding arrangements;
- Securing the tenure, approvals, permits and agreements required to construct and operate the Project;
- Entering into binding offtake contracts for early production years before first loan draw down; and
- Other customary conditions precedent to financial close and draw down.

Subject to the final Mardie Project financing structure, it is anticipated that initial development funding will be sourced from equity, and the NAIF loan will be drawn in the second half of 2022.

NAIF's positive decision follows extensive discussions between the parties over a period of approximately 18 months, including detailed due diligence by a group of NAIF endorsed independent experts (including technical, approvals, financial and market) following completion of Mardie's Definitive Feasibility Study in July 2020.¹

The Mardie Project, located in the Pilbara region of Western Australia, involves construction of large ponds and crystallisers over a 100km² area, two process plants and a new port facility for export of salt, sulphate of potash ('SOP') and other products. Mardie aims to export 4.4Mtpa of high-purity salt and 120ktpa of SOP via solar evaporation of an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy.

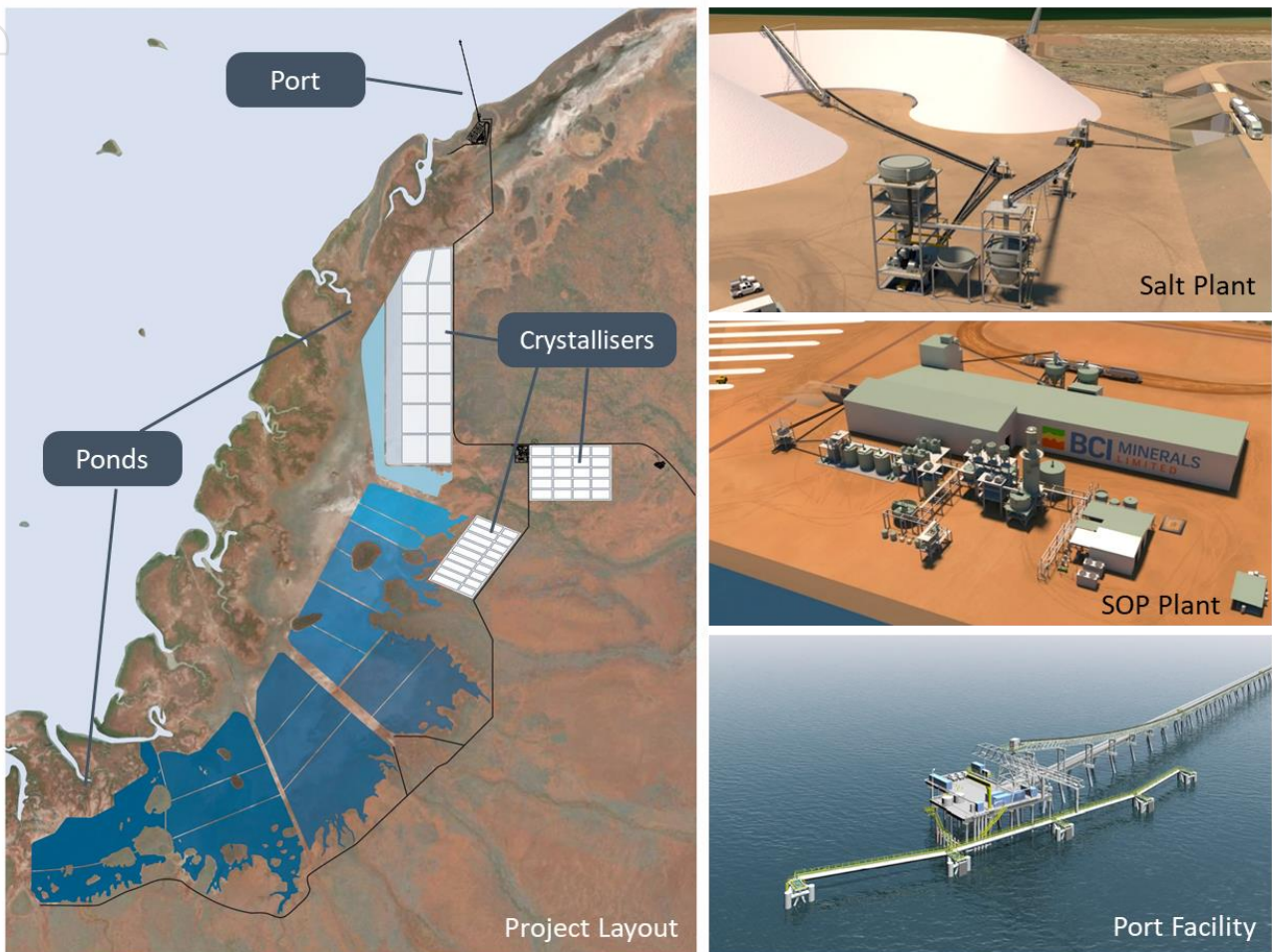
Figure 1: Mardie Project Location



Mardie will be a globally significant Tier 1 salt and SOP project that is forecast to generate robust cash flows over an operating life of at least 60 years. An independent economic analysis prepared for the NAIF assessment process has forecast significant benefits to the northern Australian region over Mardie's construction and operating life. Mardie will have a peak construction workforce of ~500 people and a permanent operating workforce of ~200 people, and will also create additional indirect employment in the Pilbara region. BCI will also seek to maximise local and indigenous employment and contracting opportunities.

¹ Refer to ASX announcement dated 1 July 2020. 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.

Figure 2: Mardie Project Layout and Infrastructure



BCI's Managing Director Alwyn Vorster said *"We are pleased to receive conditional NAIF Board approval for a A\$450 million long tenor loan. This loan will be the largest NAIF allocation to a WA based company to date and recognises the potential long-term benefits which Mardie will bring to the region, including new port infrastructure available to third party users. Importantly, the loan will also provide significant momentum for BCI to secure the remaining debt and equity funding components required for Mardie's development. We acknowledge the strong support from various Federal and WA State Government ministers and departments."*

NAIF's Chief Executive Officer Chris Wade said *"We are delighted to be able to support the development of the Mardie Salt & Potash Project which by supplying agricultural and chemical industries across Asia offers exciting export opportunities. Locally, the Project will also bring significant economic benefits to the Karratha, Dampier and Onslow areas."*

The parties will now work towards completing facility documentation and satisfying the conditions to funding.

ABOUT NAIF

The Northern Australia Infrastructure Facility ('NAIF') is a Commonwealth Government A\$5 billion lending facility to finance projects via the governments of the Northern Territory, Queensland and Western Australia to achieve growth in the economies and population of northern Australia and encourage and complement private sector investment.

Projects supported by NAIF are diversified across sectors including ports, airports, tourism, education, agriculture resources and renewable energy.

Every NAIF project will support important Indigenous engagement with many projects committing to Indigenous employment or procurement targets. More information is available at <http://www.naif.gov.au/>.

ADVISORS

KPMG Corporate Finance and Magma Capital are acting as financial advisors to BCI regarding the NAIF loan facility.

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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. A Definitive Feasibility Study (DFS) on the Mardie Project was completed in Q2 2020.

Mardie aims to produce 4.4Mtpa of high-purity salt (>99.5% NaCl) and 120ktpa of sulphate of potash (SOP) (>52% K₂O) via solar evaporation of seawater. 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. BCI recently acquired adjacent tenements which provide capacity to optimise and expand the project beyond the DFS production levels.

With a Final Investment Decision targeted in Q2 2021 and construction start by mid-2021, first salt sales can be achieved by mid-2024 and first SOP sales by mid-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 for FY20 was A\$23.0M.

KEY STATISTICS

Shares on issue	598.4 million	
Cash in bank²	\$80.8 million	pro-forma as at 30 September 2020
Board	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
Major shareholders	Wroxby Pty Ltd	39.6%
	Sandon Capital Pty Ltd	6.1%
Website:	www.bciminerals.com.au	

² Based on cash as at 30 September 2020 plus the net proceeds from the Entitlement Offer.