

BCI DELIVERS SOLID FIRST HALF RESULTS AND ACHIEVES MAJOR FUNDING MILESTONES

BCI Minerals (ASX: BCI)

- **Mardie Project completion at 30.9%, no contingency utilised¹**
- **State approval for the Optimised Mardie Project granted**
- **Executed \$981m Syndicated Finance Agreement**
- **Launched \$315M fully underwritten equity raise in February 2024**
- **Mardie salt first phase will be fully funded when equity issue completes**
- **Underlying EBITDA^{1,2} of \$0.5M, up 103% from prior half-year**
- **Total Cumulative Mardie Project expenditure \$511.9M up 25% for the half**
- **Total recordable injury frequency rate (TRIFR) on a rolling 12-month basis was 8.8 at the end of December 2023**
- **Offtake agreement signed by GM Procurement of Wanhua Chemical Group**
- **Industry expert appointed as Head of Approvals to deliver remaining Government approvals**

BCI Minerals Limited ('BCI' or the 'Company') presents its financial results and Mardie Project update for the six months ended 31 December 2023.

Commenting on the results, BCI's Managing Director, David Boshoff, said:

"BCI has delivered key milestones in the first half of the year and in early 2024. Securing key project funding is a testament to the quality of the Mardie Project and we are grateful for the trust placed in us by our shareholders and lenders. It is also encouraging to see that our cost discipline is paying off with more than 30% of the salt and SOP construction complete, while the full contingency remains available."

The Statutory EBITDA for HY24 was \$0.5M compared to \$4.2M in HY23. The Statutory EBITDA for HY23 included a \$19.2M non-cash fair value adjustment for the Series 3 Convertible Notes. On an underlying basis, the EBITDA for HY24 was \$0.5M compared to a loss of (\$15.0M) in HY23. The strong increase in the underlying HY24 EBITDA is attributable to higher iron ore prices realised by Iron Valley and a lower AUD exchange rate. Part of this increase was offset with the ongoing expenditure to progress and develop the Mardie Project.

¹ 30.9% Mardie Project completion relates to the Salt and SOP components of the Mardie Project.

² All references to financial metrics are on an underlying basis unless otherwise stated.

BCI Results (\$M)	HY24	HY23	Change %
Statutory Revenue	47.1	39.1	20
Statutory EBITDA	0.5	4.2	(88)
Statutory Profit/(loss) from continuing operations	(0.7)	3.2	(122)
Underlying EBITDA	0.5	(15.0)	103
Underlying Profit/(loss) from continuing operations	(0.7)	(16.0)	96
Cumulative Mardie Project Expenditure	511.9	279.5	83

BCI recorded EBITDA of A\$0.5M for the half year, with the contribution of each segment shown below.

Segment (\$M) (underlying)	HY24	HY23	Change %
Iron Valley	22.3	5.4	311%
Mardie	(12.8)	(11.3)	13%
Other	(9.1)	(9.2)	1%
Total EBITDA	0.5	(15.0)	103%

Capital Management

The first half of FY24 was marked by key achievements in project finance and strong support from shareholders and lenders.

On 19 December 2023, BCI executed a \$981M Syndicated Facility Agreement (SFA)³ which provides the debt component of the project finance required for the “salt first” phase of the Mardie Project.

This funding is allocated to all components of the Mardie Project, excluding the construction of the Sulphate of Potash (SOP) plant⁴, with the capital estimate remaining unchanged⁵.

The first drawdown of the debt is anticipated in Q1 FY25, subject to the satisfaction of certain conditions precedent including binding offtake agreements, receipt of all environmental approvals and the execution of key project contracts.

The successful execution of the SFA also played a crucial role in enabling the fully underwritten equity raise for \$315M that occurred in early February 2024⁶. The equity raise consisted of a \$255M accelerated non-renounceable entitlement offer and a two-tranche \$60M Placement, at 25 cents.

^{3&4} Refer to ASX announcement dated 20/12/23 “Syndicated Facility Agreement for The Mardie Project Finance Debt Completed”

⁵ Refer to ASX announcement dated 01/02/2024 “Corporate Update and Equity Raising Presentation” for Mardie salt-first base capital requirements and outcomes of the salt-first BCFM.

⁶ Refer to ASX announcement dated 01/02/2024 “A\$315 Million Fully Underwritten Equity Raising Launched”

The Institutional component of the Entitlement Offer raised \$140.9M, and Tranche 1 of the Placement raised \$47.5m, both amounts settled on 5 February 2024.

The Retail component of the Entitlement Offer opened on 8 February 2024 and is expected to raise \$114.1M (\$112.5M underwritten by Australian Super). Tranche 2 of the Placement is expected to raise \$12.5m (subject to shareholder approval) and is expected to settle in H2 March 2024.

Further, BCI issued \$30M in convertible notes to each of our two largest shareholders⁷ and secured an additional \$25M via convertible notes with the third-largest shareholder⁸ to fund critical path activities. These convertible notes, totalling \$85M, were subsequently converted⁹ into shares on 8 February 2024.

Mardie Project

Market

The Mardie Project is strategically positioned to capitalise on increasing market demand, including expected growth in long-run salt prices, with Asian salt markets projected to grow consumption by 22% by 2030.

Negotiations are well advanced with several Asian customers in progressing their term sheets into salt Offtake Agreements. These customers include Itochu Corporation¹⁰, one of Japan's largest trading and investment companies and Wanhua, a large Chinese chemical company. During the period, BCI signed an offtake agreement with Wanhua. The offtake agreement has been signed by Wanhua's GM of Procurement and the parties are in the process of finalising formal execution of the agreement.¹¹ The agreement provides for:

- a 3 year supply term from the date of first supply of salt from the Mardie Project;
- anticipated volumes of 700kt of salt in the first contract year, increasing to 1.1 mtpa in the second and third contract years; and
- a CFR price in \$US per tonne to be agreed between the parties in respect of each price period during the supply term.

The offtake agreement with Wanhua is conditional upon first salt being produced at Mardie by H2 2026, or such other later date that the parties agree.

Additionally discussions are ongoing with an Indonesian petrochemical company introduced to BCI by Mining Industry Indonesia (MINDID).

Health & Safety

BCI is committed to providing a safe working environment for all staff and contractors and has been focused on fatality prevention with an emphasis on our lead safety indicators, in particular the verification of Critical Controls.

⁷ Refer to ASX announcement dated 10/07/2023 'Successful drawdown of \$60M of convertible notes to fund Mardie'.

⁸ Refer to ASX announcement dated 19/10/2023 'BCI secures \$25M convertible notes to maintain construction momentum'.

⁹ Refer to ASX announcement dated 08/02/24 "Issue of Shares Under Equity Raising and Note Conversion"

¹⁰ Refer to ASX announcement dated 27/06/2023 "BCI and Itochu Execute Salt Offtake Term Sheet"

¹¹ There is no guarantee that the offtake agreement will be binding until the formal execution process has been completed. BCI will announce formal execution of binding offtake agreements which meet project finance drawdown conditions when this occurs.

BCI will continue to focus on incident prevention programs and the implementation of controls for psychosocial hazards. The total recordable injury frequency rate (TRIFR) on a rolling 12-month basis was 8.8 at the end of December 2023.

Leadership team

We have further strengthened the leadership team with the appointment of Steve Fewster as Chief Financial Officer. Steve has been the CFO of several listed and large private companies, responsible for delivering strategic financial leadership. He has over 20 years' experience in the resources sector in both operational and financial roles, delivering capital management and business transformation. Steve's initial focus is on completion of the current equity issue, satisfaction of conditions precedent to Financial Close and drawdown of project finance, and execution of binding offtake agreements.

To further support the focus on gaining the final Government Environmental Approvals we will be appointing Dr Shaun Meredith as our new Head of Approvals and Government Relations. Shaun has over 20 years' experience across the State Government, public research and university sectors where he has held several Director roles with a core focus on environmental assessment. His proven track record demonstrates an ability to balance environmental sustainability with economic development objectives.

Construction

As of 31 December 2023, the Mardie Project has reached an overall completion rate of 30.9%, with no contingency spent to date.¹²

A total capital investment of \$459M has been made¹³, covering completed components such as the primary seawater intake station, the 400-bed accommodation village, key road infrastructure, and ponds 1 to 5. Ongoing constructions include the development of transfer stations, earthworks, ponds 6 to 9, and the marine package.

Significant progress has been made in road infrastructure during the half year, with the completion of the North-West Coastal Highway intersection and Mardie Road, along with the North-South Road. These roadways ensure safe site access and serve as vital levee protection barriers, safeguarding evaporation ponds from potential upstream flood events.

Completion of the roadways also facilitated the delivery of rock armour for embankment construction to reinforce pond walls. Rock placement has been completed on ponds 1 and 2, while pond 3 reached 94% completion at the end of December. Further, civil works for ponds 6 to 9 have commenced, including topsoil stripping, access road establishment, and borrow pit development.

Major civil works at Transfer Stations 2-3 have been completed, involving the installation of generators, pump mounts, handrails, and structural steelwork. The remaining tasks include minor earthworks and electrical cable work.

Progressing positively beyond the critical path activities, the marine structures package has reached 47% completion as of the end of December 2023. The jetty has progressed to the 25th set of piles out of a total of 91 sets of piles, contributing to an overall jetty completion rate of 14.75%.

¹² 30.9% Mardie Project completion relates to the Salt and SOP components of the Mardie Project.

¹³ As at 31 December 2023

BCI has made considerable progress in engineering and design, with the Secondary Seawater Intake channel and pond design reaching a completion rate of 50%. Additionally, design of the salt wash plant has advanced, with an initial layout confirmed, and pilot plant testwork awarded.

BCI is committed to maintaining this positive momentum and delivering a successful project, with the focus for the next six months on further progressing earthworks on site while prioritising progress on attaining the environmental approvals needed to finalise the Mardie Project.

Approvals

In a major milestone, State approval for the Optimised Mardie Project (OMP) was granted on October 19, 2023, under Section 45(3) of the *Environmental Protection Act 1986* (WA). This achievement initiated the Commonwealth approvals process, and BCI is currently engaged in finalising this phase in close coordination with the relevant Government departments.

BCI also received final approval for the Benthic Communities Habitat Monitoring and Management Plan and the Illumination Management Plan, both key milestones towards the commencement of operations.

As previously announced¹⁴, BCI aims to commence operations and filling evaporation ponds in Q3 FY24, pending final environmental approvals. While the final Optimised Mardie Project approvals and approvals to commence filling of evaporation ponds have taken longer than anticipated due to approval delays outside of BCI's control, BCI remains committed to working towards its objective of delivering First Salt on Ship during the second half of 2026.

BCI, through its subsidiary Mardie Port Pty Ltd, has signed an Infrastructure Delivery Agreement (IDA) with Pilbara Ports for the development of the Mardie Project's Port infrastructure. Under the IDA, BCI has acquired rights of access from Pilbara Ports to complete all the marine and landside infrastructure for the Port. The strong partnership with Pilbara Ports is acknowledged as a crucial component for the successful delivery of the project, with the final lease contingent on achieving Practical Completion under the IDA.

In another significant milestone, BCI announced the endorsement of the 'Reflect' Reconciliation Action Plan (RAP) by the Board and Reconciliation Australia during the half year. The RAP is an integral component of BCI's comprehensive framework designed to drive the advancement of reconciliation efforts.

Iron Valley Mine

The Iron Valley Mine is operated by Mineral Resources Limited (MinRes) under an ore purchase agreement with BCI. MinRes operates the mine at its cost and purchases iron ore from BCI at the mine gate at a price linked to MinRes' received sales price. BCI is responsible for paying third-party royalties and securing key approvals.

During the half MinRes shipped 2.04 million wet metric tonnes (Mwmt) (HY23: 1.82Mwmt), generating revenue for BCI of \$44.1M (HY23: \$17.4M) and EBITDA of \$22.3M (HY23: \$5.4M). The result for the half year reflects the improved iron ore market pricing applied to product shipped during the period.

¹⁴ Refer to ASX announcement on 29/01/2024 "December 2023 Quarterly Report"

BCI's Iron Valley EBITDA is impacted by volumes shipped, movements in Platts CFR 62% iron ore pricing, lump premiums, product discounts, product sales terms including quotation periods, freight rates, AUD:USD foreign exchange rates and state and private royalties payable on ore sales.

As disclosed in the December Quarterly activities report, while the central pit is nearing completion, BCI is in discussions with MinRes in relation to mine planning and timing for the development of the northern pit. Since the timing of commencement of northern pit operations is uncertain, BCI is considering monetising the asset. The ore purchase agreement with MinRes remains on foot notwithstanding these ongoing discussions.

-END-

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 (SOP) (>52% K₂O) via solar evaporation of seawater. Main construction of the Mardie Project commenced in early 2022. 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 other assets include shareholdings in Highfield Resources Limited (ASX: HFR) and Agrimin Limited (ASX: AMN) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

KEY STATISTICS

Shares on issue:	2,378M	
Cash in bank:	\$99.6M	As at 31 December 2023
Board:	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Gabrielle Bell	Non-Executive Director
	Richard Court	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Stephanie Majteles	Company Secretary
Major shareholders:	Wroxby Pty Ltd	43.05%
	AustralianSuper Pty Ltd	20.05%
	Ryder Capital Ltd (and related)	11.16%
Website:	www.bciminerals.com.au	

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements. These forward-looking statements are based on BCI's current expectations and beliefs concerning future events at the date of this announcement and are expressed in good faith. BCI 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 which 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 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, 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.