

## HALF YEAR RESULTS MARDIE CONSTRUCTION HITTING KEY MILESTONES

- Primary seawater intake station pre-commissioning completed, all six pumps installed
- Ponds 1 and 2 complete, Ponds 3-5 ~50% complete
- Ponds 1 and 2 Transfer Station bulk earthworks complete
- First shipment of marine structure materials arrived in Dampier
- 400-bed accommodation village complete
- A\$100M AustralianSuper Convertible Note drawn
- Group EBITDA of \$4.2M for the half year; reduced Iron Valley royalty earnings, gain on financial instrument
- Cash balance of A\$201.5M at 31 December 2022
- Strong Safety Performance – TRIFR reduced to 1.0

BCI Minerals Limited (ASX:BCI) ('BCI' or the 'Company') presents its financial results for the half year ended 31 December 2022.

Commenting on the results, BCI's Managing Director, David Boshoff, said: "BCI has delivered solid operational outcomes for the half year, whilst continuing to focus on its project design and cost review. Major milestones were achieved in the six-month period, with significant earthworks complete at pond 1 and 2, and 50% complete at ponds 3 to 5. Excitingly, we saw the seawater pumps and intake station pre-commissioned with a first glimpse of water flow. We also saw the arrival of the first materials for our 2.4km marine jetty structure."

BCI recorded a net profit after tax of A\$3.2M for the half year, the result reflecting reduced earnings from Iron Valley, a gain on revaluation of a financial instrument of A\$19.2M being the Series 3 convertible notes issued to AustralianSuper, and ongoing expenditure to progress the Mardie Salt and Potash Project.

	December 2022 \$M	December 2021 \$M
Net Revenue	39.1	34.2
Expenditure	(35.9)	(39.7)
Net profit/(loss) after tax	3.2	(5.5)

BCI recorded EBITDA of A\$4.2M for the half year, with the contribution of each segment shown below.

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	December 2022 2\$M	December 2021 \$M
Iron Valley	5.4	13.6
Mardie	(11.2)	(10.5)
Other	10.0	(6.0)
Total EBITDA	4.2	2.0

Other income comprised mainly the gain on revaluation of a financial instrument, as outlined in the financial statements.

### **Mardie Salt & Potash Project**

During the half year, BCI continued to progress the 100% owned Mardie Salt & Potash Project with the focus for the period on contracting and establishing infrastructure, continuing Project approvals and advancing construction works.

BCI is committed to providing a safe working environment for all staff and contractors and has been focused on incident prevention programs including critical control implementation and prevention of psychosocial hazards. The total recordable injury frequency rate (TRIFR) is 1.0 (June 2022: 4.1).

The primary sea water intake (PSI) station was completed during the period with all six of the 3,000 litres/second capacity pumps installed and pre-commissioned.

Pond construction continued to progress during the half with Ponds 1 and 2 completed, and design and procurement for Ponds 3-5 also completed. Construction works for this package are 52% complete as at half-year end.

The first shipment of marine structure materials arrived and was unloaded in Dampier (300 piles, 40 headstocks, 34 roadway and 29 conveyor modules). Additionally, the Company awarded the contract for the causeway and lay down area for jetty construction, with mobilisation occurring in January 2023.

The marine structures work package remained on schedule at the end of December with progress of completion at 25%. Design activities continued, with all marine structure packages now more than 90% design completed. Traveller fabrication has been completed and the fabrication of steel work is 65% complete (with jetty piles 87% complete).

The 400-bed accommodation village was also completed during the period, and occupancy certificates have been received. BCI staff and contractors from SRG Global (Ponds 1 and 2), Q-Birt (Ponds 3-5) and Ertech Marine (Seawater Intake Station) are currently occupying the village.

The gazettal and proclamation by the Western Australian Government of the Port of Cape Preston West also occurred during the period. The Port Reserve is now vested in the Pilbara Ports Authority (PPA) for the new multi-user port, and the proclamation of the Port Reserve land and waters provides the PPA the authority to enter into the Port lease documents with Mardie Port Pty Ltd as the foundation proponent, which is expected to occur in H1 2023.

The Company further advised that following shareholder approval obtained at the Annual General Meeting, the Company has drawn down \$100 million from AustralianSuper Pty Ltd as trustee for AustralianSuper in Series 3 Convertible Notes. Funds raised will be used to fund pre-development costs, capex costs of the construction of the Mardie assets, funding and transaction costs and pre-production operational expenditure.

BCI is finalising its cost and design review to complete the Mardie Project, and the new base case financial model. As advised previously, the Project is expected to cost materially more than previously estimated, but BCI also expects it to generate more revenue and EBITDA than previously projected, given higher current and projected salt and SOP prices. BCI is progressing its plans to quantify and obtain the required additional funding from a combination of equity, debt and asset sales. Discussions are continuing with prospective providers of funding, in parallel with the cost and design review finalisation, and the base case financial model development and independent technical reviews.

These activities are expected to advance materially during the second half of FY 2023. BCI expects to release the updated Mardie business case by April 2023, following finalisation of the reviews currently in progress.

### **Iron Valley Mine**

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

During the interim period MIN shipped 1.82 million wet metric tonnes (Mwmt) (December 2021: 2.93Mwmt), generating revenue for BCI of \$17.4M (December 2021: \$34.1M) and EBITDA of \$5.4M (December 2021: \$13.6M). The result for the half year reflects the recent decline in market pricing for iron ore, combined with higher discounts applied to product shipped during the period.

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.

-END-

This ASX announcement has been authorised for release by delegated authority from the Board of BCI Minerals Limited.

#### **For further information:**

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## FORWARD LOOKING STATEMENTS

This document 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 document, and are expressed in good faith for general guide only and should not be relied upon as an indication or guarantee of future performance. BCI believes it has reasonable grounds for making the forward-looking statements. However, forward-looking statements relate to future events and expectations and as such are subject to known and unknown risks, and significant uncertainties and other factors, many of which are outside the control of BCI. Actual results may differ materially from future results expressed or implied by such forward-looking statements. None of BCI, its affiliates or their directors, officers, employees, associates, advisers, agents or contractors makes any representation or warranty (either expressed or implied) as to the accuracy or likelihood of fulfilment of any future looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this document reflect views held only as at the date of this document. 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 document.

## 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% K<sub>2</sub>O) 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 substantial shareholdings in Agrimin Limited (ASX:AMN) and Highfield Resources Ltd (ASX:HFR) and potential royalties and/or deferred payments from iron ore projects at Koodaideri South, Bungaroo South, Kumina and Nullagine.

## KEY STATISTICS

<b>Shares on issue</b>	1,211.5 million	
<b>Cash in bank</b>	\$201 million	as at 31 December 2022
<b>Board</b>	Brian O'Donnell	Non-Executive Chairman
	David Boshoff	Managing Director
	Gabrielle Bell	Non-Executive Director
	Miriam Stanborough	Non-Executive Director
	Richard Court	Non-Executive Director
	Garret Dixon	Non-Executive Director
	Chris Salisbury	Non-Executive Director
	Stephanie Majteles	Joint Company Secretary
	Susan Park	Joint Company Secretary

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**Major shareholders**

Wroxby Pty Ltd	39.5%
AustralianSuper Pty Ltd	14.8%
Ryder Capital Ltd (and related)	9.1%

**Website:**

[www.bciminerals.com.au](http://www.bciminerals.com.au)