

DECEMBER 2022 QUARTERLY REPORT

- **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**
- **David Boshoff commenced as Managing Director in November 2022**
- **Subsequent to the December 2022 quarter, Gabrielle Bell was appointed as Non-Executive Director, commencing January 2023**
- **Iron Valley contribution of \$2.8M in December 2022 quarter**
- **Cash balance of \$201M and zero net debt at 31 December 2022**

BCI Minerals Ltd (**BCI** or the **Company**) is pleased to present its quarterly activities report for the period ended 31 December 2022.

MARDIE SALT & POTASH PROJECT

Site Activities

Significant progress has been made at the Mardie Salt and Potash Project (Mardie) during the December quarter with the completion of several workstreams on the Project.

The primary seawater intake (PSI) station was completed, with all six of the 3,000 litres/second capacity pumps installed and pre-commissioning completed in December 2022.

Ponds 1 and 2 were completed in December 2022. Ponds 3-5 design and procurement is now 100% complete and construction works for this package are 51.6% complete as at 31 December 2022.

The Mardie Village package is 100% complete with all minor defects closed out in December 2022.

The marine structures work package remains on track with the plan at the end of December with earned value at 24.7%. Design progress continues with all marine structure packages >90% design completed. Traveller fabrication has been completed and fabrication of steel work is 65% complete (with jetty piles 87% complete). The first shipment of materials arrived and was unloaded in Dampier in the first week of December (300 piles, 40 headstocks, 34 roadway and 29 conveyor modules). The Company awarded the contract for the causeway and lay down area for Jetty construction in December 2022 with mobilisation occurring in January 2023.



Figure 1: Pond 5 & Trial Embankment tie in



Figure 2: Jetty Structural Steel - Dampier



Figure 3: Pond 3 levee construction

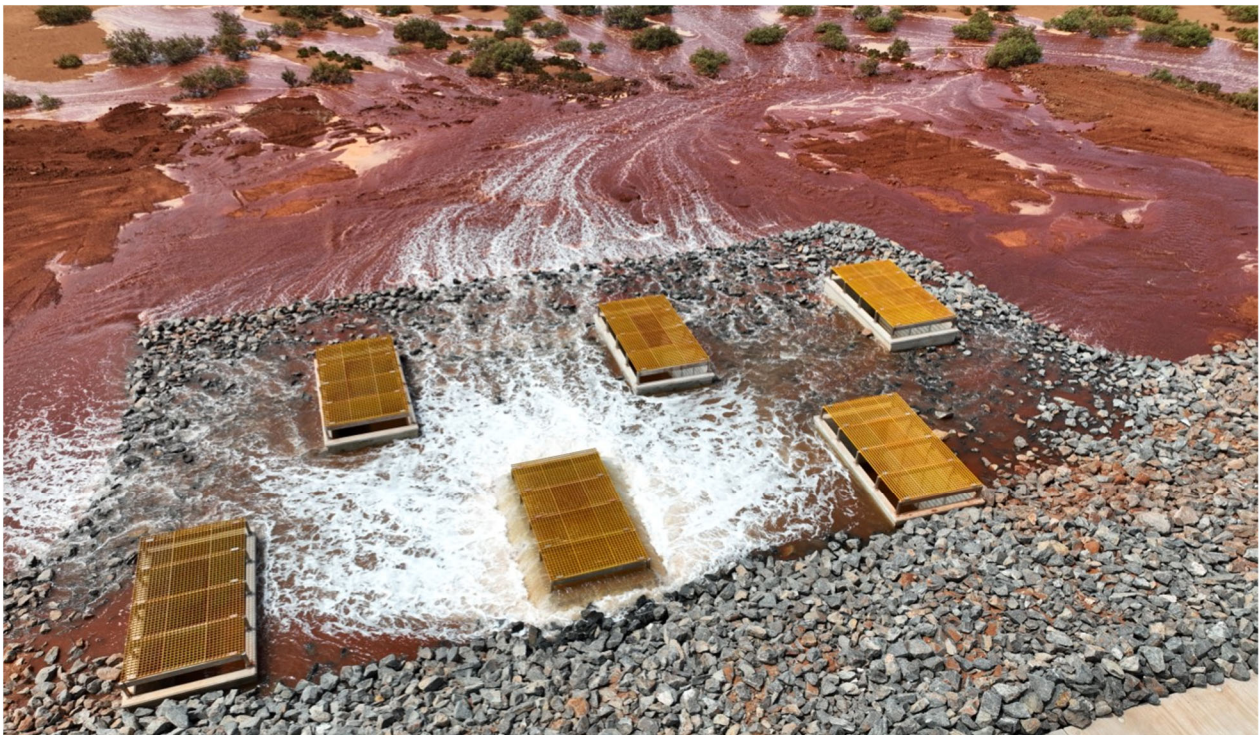


Figure 4: PSI diffusers – pump testing

Health, Safety, People and Culture

In addition to the site activities outlined above, BCI has maintained strong safety performance over the quarter and remains focused on maintaining a safe and healthy working environment for its employees and contractors. BCI's total recordable injury frequency rate (TRIFR) for the December quarter was 0.0 and as at December 31, 2022 BCI's TRIFR on a rolling 12 month basis was 1.0.

Port Approvals

The gazettal and proclamation by the Western Australian Government of the Port of Cape Preston West also occurred during the December quarter. 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 Minerals as the foundation proponent, which is expected to occur in H1 2023.

Salt and SOP market conditions

The average price of Australian salt imported into China (based on government trade information) was US\$50.70/t (CIF) in the December 2022 quarter, up from US\$49.42/t in the September 2022 quarter.

Sulphate of Potash (SOP) prices remained strong in the December 2022 quarter with the NW Europe bulk granular SOP price averaging US\$1,047/t (FOB), down from the US\$1,117/t (FOB) average for the September 2022 quarter, but still well above the US\$633/t (FOB) average in 2021.

Offtake negotiations for Mardie salt and SOP that cover more than 50% of the designed steady state production continued to progress during the quarter.

Cost and Design Review Update

As outlined in previous announcements, cost increases have been noted across Mardie construction packages as inflationary factors and supply chain challenges have impacted suppliers. Since his appointment as Managing Director in late November 2022, David Boshoff has been leading a full review of all material capital packages. Several new cost reduction initiatives have been identified as part of this process. This important work is adding value to the project but has led to a delay in the finalisation of an updated capital cost estimate for the project. BCI will announce the results of this work when it is completed.

BCI will continue to assess value and conduct reviews into design assumptions. All work packages are advancing design maturity with a focus on risk reduction and cost offsetting. The company has re-engaged with the proposed providers of project finance, with a view to progressing to execution of project finance documentation as soon as possible in H2 FY23. Discussions have also commenced with key shareholders in relation to the pathway to completion of a full funding package to bring the Mardie project to completion. These debt and equity discussions will gain more momentum when the capital cost estimation process is complete, and a new base case financial model is available for discussion with these parties. Reaching that point is a priority for BCI.

IRON VALLEY MINE

BCI EBITDA from Iron Valley for the December 2022 quarter was \$2.8M comprising \$3.9M from 0.8 Mt shipped and adjusted for finalisation of prior period provisional pricing. The December quarter result reflects provisional FOB prices based on an average headline 62% Fe iron ore price of US\$98/t, a decline against the prior quarter's US\$103/t, but with reduced ore quality discounts.

Figure 6: Iron Valley Quarterly Shipments (M wmt)

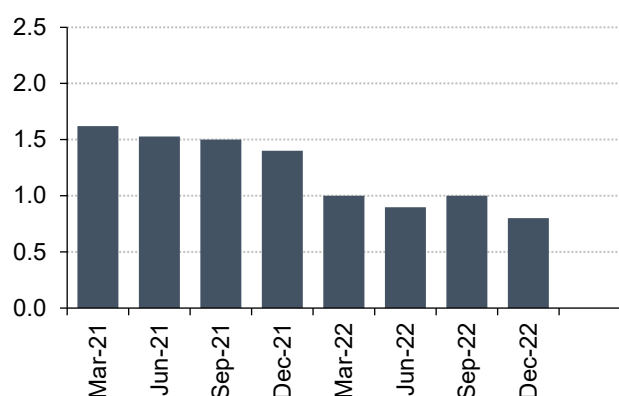
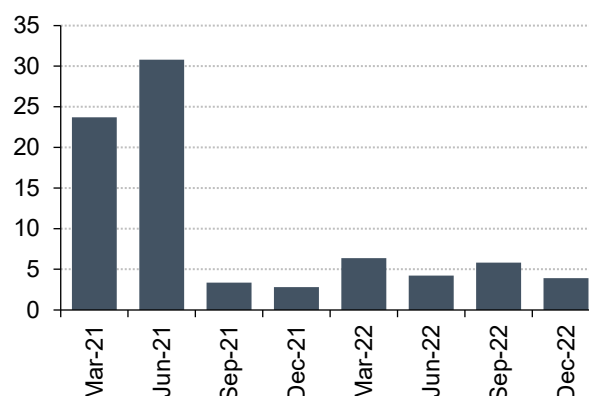


Figure 7: Iron Valley Quarterly EBITDA¹ (A\$M)



CORPORATE

Board and Executive Changes

On 20 November 2022, Mr David Boshoff commenced his appointment as BCI Minerals' Managing Director. Mr Boshoff's experience delivering large capital projects in the mining industry has been demonstrated in the systematic approach to the scope and cost review that is underway across the entire Mardie Project.

Subsequent to the quarter end, BCI announced the appointment of Gabrielle Bell as Non-Executive Director, effective 18 January.

Ms Bell brings a breadth of experience to BCI as a corporate lawyer and company director working in Australia and South-East Asia. Additionally, Ms Bell has utilised her corporate governance, risk identification and legal transaction skills as a Non-Executive Director in the Australian property sector and the Victorian water sector, and has previously held Director roles in the Australian superannuation and public transport sectors. Currently Ms Bell is a Non-Executive Director of South East Water Corporation, the Chair of Iota Services Pty Ltd, a whole-owned subsidiary of South East Water Corporation, and Non-Executive Director of Aware Real Estate Management Pty Ltd.

The Company also accepted the resignation of Non-Executive Director Michael Blakiston and acknowledged his strong contribution as director of BCI during his term.

¹ Historic quarterly EBITDA results have been restated for presentation purposes to illustrate the contribution of shipments in each quarter incorporating final pricing adjustments in the relevant quarter.

Project Director Sam Bennett and Head of People and Culture Kim Boekeman have left BCI, and BCI has commenced the process to recruit a new Project Director. In the interim, David Boshoff is acting as Project Director, which is appropriate given his significant experience in delivering large capital Projects.

Annual General Meeting

On 24 November, BCI Minerals held the Company's Annual General Meeting. All resolutions presented at the meeting passed (refer to ASX Announcement 24 November).

Annual Report

The Company's Annual Report was released during the quarter (refer to ASX Announcement 25 October).

Cash and Debt Position

Following shareholder approval obtained at the Company's Annual General Meeting in November 2022, the Company has drawn down \$100 million from AustralianSuper in Series 3 Convertible Notes.

BCI's cash balance at 31 December 2022 was \$201M (30 September 2022: \$188M) and the Company's net debt remains zero. With ongoing Iron Valley royalty earnings and cash at bank, BCI has sufficient funding to cover all current contracted works for the full financial year to June 2023 without requiring further capital.

-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 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

Shares on issue	1,211.5 million	
Cash in bank	\$201 million	as at 31 December 2022
Board	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
Major shareholders	Wroxby Pty Ltd	39.3%
	AustralianSuper Pty Ltd	14.8%
	Ryder Capital Ltd (and related)	9.1%
Website:	www.bciminerals.com.au	