



# September 2024 Quarterly Report

22 October 2024

BCI Minerals Ltd (ASX: BCI) (“BCI” or “the Company”) achieved a number of key milestones in the period ended 30 September 2024, enabling the commencement of salt production operations. Shortly after the quarter, Financial Close was achieved on the Company’s project finance facilities.

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## Key Performance Metrics

	Sept Q1 FY25	Jun Q4 FY24	Mar Q3 FY24	Dec Q2 FY24
Total Recordable Injury Frequency Rate	3.8	6.4	10.8	8.8
Cash and Cash Equivalents	\$177M	\$259M	\$352M	\$100M
Available Project Facilities <sup>1</sup>	\$981M	\$981M	\$981M	\$981M
Cumulative Expenditure	\$788M	\$690M	\$575M	\$459M
Overall Project Progress <sup>2</sup>	50%	44%	39%	31%

<sup>1</sup> Total project debt facility of \$981M, consisting of an \$830M construction loan facility, an \$81M cost overrun facility and additionally a \$70M bank guarantee facility. The Debt Facility is subject to satisfying the conditions precedent for first drawdown.

<sup>2</sup> The total base case capital requirements for the salt first phase of the Mardie Project are \$1,287M plus a contingency of \$156M.

## HIGHLIGHTS



### People and Community

- Continued focus on fatality prevention measures and reducing Total Recordable Injury Frequency Rate.
- Implemented the first phase of Leadership in the Field training at the Mardie Project.
- Achieved 7.5 per cent Aboriginal and Torres Strait Islander employment at site.
- Conducted key monitoring surveys and commenced the mesquite management program, with approximately 153 hectares of the non-native invasive plant species cleared during the quarter.
- Sponsored university scholarships, the School Leavers Scholarship and the Allied Health Scholarship, awarded to three recipients.



### Our Focus: Mardie Salt and Potash Project

- The Commonwealth Government granted environmental approval for the Optimised Mardie Project (OMP) under the *Environment Protection and Biodiversity Conservation Act 1999* enabling operations to commence on 10 September and development work in the northern envelope of the project footprint to also commence<sup>3</sup>.
- Commissioning and operation of the pumps ramped up according to plan.
- Official commemoration of the commencement of operations occurred on 26 September by the Honourable Roger Cook MLA, Premier of Western Australia, the Honourable Madeleine King MP, Federal Minister for Resources and Northern Australia, the Honourable David Michael MLA, WA Minister for Mines and Petroleum; Ports; and Rail Safety, along with key stakeholders.
- Construction of the salt-first component is over 50 per cent complete with construction of the jetty reaching its full 2.4km length.
- First salt on ship targeting Q2 FY27.



### Corporate

- On 4 October 2024, Financial Close was achieved on the \$981M syndicated facility agreement.<sup>4</sup>
- First drawdown of the project debt is anticipated in Q3 FY25, subject to the satisfaction of further conditions to first drawdown.
- Signed a non-binding Strategic Cooperation Framework Agreement with Chinese chemical company, Befar Group, for the supply of high-grade industrial salt from the Mardie Project.
- Received \$26M in July 2024, for the sale of the Iron Valley assets, the first payment from a total maximum consideration of \$72.6M.

“We have completed several milestones this quarter as we enter the next chapter in our story. Commencing operations at our Mardie Project was the culmination of years of hard work, and I am humbled by the dedication and tenacity the BCI Minerals team has shown. This is a key step in our path to becoming Australia’s largest solar salt producer, providing high-quality industrial salt to meet the growing demand in Asian markets.”



Managing Director  
**David Boshoff**

<sup>3</sup> Refer ASX Release dated 10/09/2024 “Approval to commence operations at the Mardie Project”

<sup>4</sup> Refer ASX Release dated 04/10/2024 “BCI Minerals achieves financial close for the Mardie Project debt finance facility”



## PEOPLE AND COMMUNITY

### Health and Safety

The Company continued to embed fatality prevention processes by completing Critical Control Verifications and Bow Tie Risk Assessment Reviews, as per its risk profile.

The rollout of the first phase of Leadership in the Field commenced during the quarter. In-depth training was delivered to BCI Minerals leaders, refining their skills for effective engagement with frontline team members in their work environments.

At the end of September, the 12-month moving average Total Recordable Injury Frequency Rate was 3.8.

### Sustainability

A significant ecological challenge to be addressed by BCI Minerals is the management of mesquite, a non-native invasive plant species. The Company's mesquite clearing strategy has previously been endorsed by the WA Department of Primary Industries and Regional Development and the Pilbara Mesquite Management Committee. During the quarter, the clearing of mesquite continued with approximately 153 hectares cleared and our dedicated mesquite management program commenced.

BCI Minerals also conducted several monitoring surveys in collaboration with environmental consultants and Traditional Owners, including:

- lighting audit as part of the Illumination Plan;
- quarterly monitoring of mangroves, samphire and algal mats under the Benthic Communities and Habitat Monitoring and Management Plan; and
- an annual health survey of Minnie Daisies (*Minuria tridens*) as per the *Minuria tridens* Research and Offsets Strategy.

During the quarter, BCI Minerals achieved 7.5 per cent Aboriginal and Torres Strait Islander employment at Mardie, reflecting the Company's commitment to fostering a diverse and inclusive workplace.

Through regular monitoring and environmental stewardship, BCI Minerals aims to maintain the diversity and ecological harmony of the environment in which it operates.



### Community

In September, BCI Minerals sponsored scholarships, in partnership with the Pilbara Kimberley University Centre, to three local recipients to support their pursuit of tertiary education.

The School Leavers Scholarship provides financial support for recent high school graduates in their transition to higher education, and the Allied Health Scholarship was designed for students currently enrolled in allied health programs to support students pursuing careers in health services and enhance community wellbeing.

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# OUR FOCUS: THE MARDIE SALT AND POTASH PROJECT

## Project Update

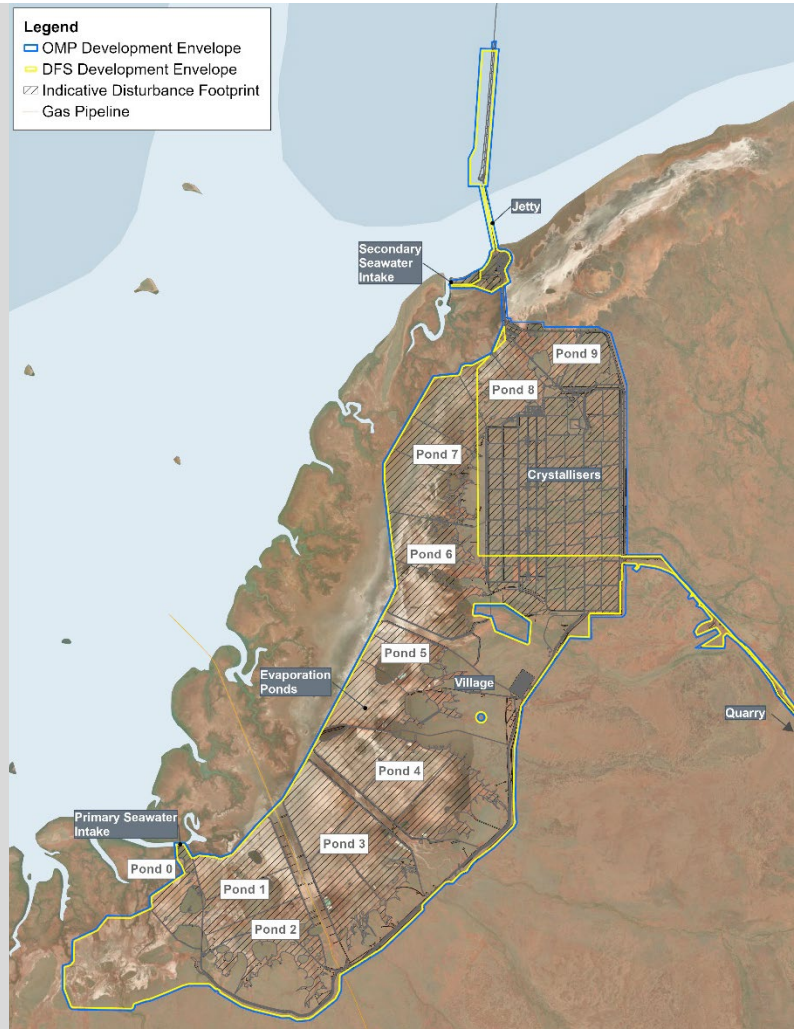
Construction of the salt first component of the project is over 50 per cent complete at the end of September.

This includes advancing construction on the crystallisers, ponds 6-9, and the transfer stations.

At the end of the quarter, the marine package was 73 per cent complete and the jetty reached its full 2.4km length.

On 10 September, BCI Minerals received final approval to commence operations and continue construction in the northern envelope of the Project.

As BCI Minerals enters this new phase, we continue to target first salt on ship in Q2 FY27.



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During the quarter, BCI Minerals reached a major milestone with the Commonwealth Government granting environmental approval for the Optimised Mardie Project (OMP) under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act)<sup>5</sup> on 10 September.

This approval, a critical milestone resulting from years of strong collaboration with both State and Commonwealth Governments, enabled the commencement of operations and further construction in the northern envelope of the project footprint<sup>6</sup>.

Following the filling of the initial three ponds, BCI Minerals will update its Groundwater Monitoring and Management Plan (GMMP) using real-time data from its extensive network of monitoring bores and additional studies. The updated GMMP will then be resubmitted to both State and Commonwealth environmental regulators for approval prior to the filling of evaporation ponds 4 through 9.

As BCI Minerals enters this next phase, we continue to target first salt on ship in Q2 FY27, positioning the Company as a major supplier of high-quality industrial salt to global markets.

<sup>5</sup> Refer to ASX Announcement dated 10/09/24 titled "Approval to Commence Operations at the Mardie Project"

<sup>6</sup> Areas not included in the original Definitive Feasibility Study (DFS) footprint.

BCI Minerals was honoured to welcome the Honourable Roger Cook MLA (Premier of Western Australia), the Honourable Madeleine King MP (Federal Minister for Resources and Northern Australia), the Honourable David Michael MLA (WA Minister for Mines and Petroleum; Ports; and Road Safety), and key stakeholders and Traditional Owners at Mardie to commemorate the commencement of operations.



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Construction of the salt-first component of the Mardie Project is progressing steadily, with over 50 per cent already completed and \$788M invested to date including \$658M in capital expenditure. The Company applies an owner’s mindset to the disciplined management of project costs.

With the approval of the OMP, BCI Minerals advanced the construction of key infrastructure, including completion of ten cells within the crystalliser area. The Primary crystallisers are essential for holding brine during the salt precipitation process to produce high-quality industrial salt.

Construction of evaporation ponds 6-9 progressed to 83 per cent completion at the end of the quarter. Both ponds 6 and 7 were completed, as well as the installation of brine transfer culverts at the transfer point between pond 7 and pond 8. Pond 8 construction is progressing well with 82 per cent of the 164,000 cubic metres of borrow material placed and compacted while 34 per cent of the 33,500 tonnes of rock armour has been placed.

Construction has commenced on the secondary seawater intake with earthworks managed by Q H & M Birt.

Transfer stations 2-3 and 3-4 are both complete, pending wet commissioning when seawater is available at the inlets. Transfer stations 5-6 and 6-7 are nearing completion, with final preparation underway for commissioning.

Lastly, the marine package has reached 73 per cent completion, and the jetty has progressed to its full 2.4km length. Piles from bent J1 to J91 have been driven and headstocks welded. Conveyor infrastructure is progressively being installed.



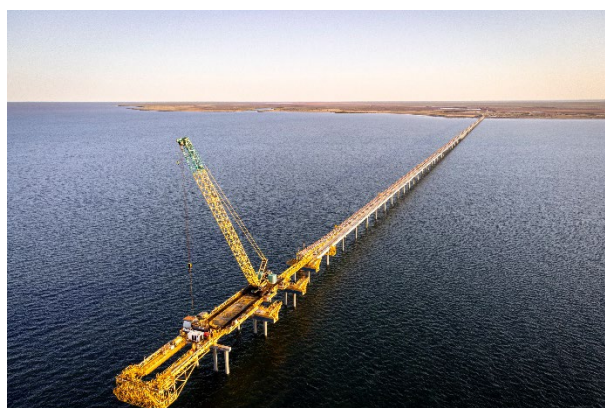
**Figure 1: Seawater flowing through the Primary Seawater Intake Station**



**Figure 2: Seawater flowing into Pond 0**



**Figure 3: Construction of the crystallisers within the OMP area**



**Figure 4: The Jetty at its full 2.4km length, awaiting the jetty head component**



## CORPORATE

### Capital Management

As previously announced in December 2023, BCI Minerals executed the debt funding package for the salt first component of the Mardie Project<sup>7</sup>.

On 4 October 2024, BCI Minerals announced the completion of the Conditions Precedent to enable the Financial Close of the Syndicated Financial Agreement (SFA)<sup>8</sup>. The SFA delivers a total of \$981M of project debt finance from key lenders, including Northern Australia Infrastructure Facility, Export Finance Australia, Export Development Canada, Westpac Banking Corporation and Industrial and Commercial Bank of China Limited, to fund the salt first<sup>9</sup> component of the Mardie Project.

Financial Close provides BCI Minerals with access to the bank guarantee facility, removing the requirement to utilise cash to support the issue of bank guarantees. This is a precursor to draw down of the SFA. The first drawdown of the project debt is anticipated in Q3 FY25, subject to the satisfaction of further conditions to first drawdown, including conditions relating to BCI Minerals' financial contribution, binding offtake agreements and the execution of key project contracts.

BCI Minerals' existing offtake agreements with Indonesian and Chinese counterparties provide solid progress towards meeting the offtake requirements for the first drawdown. BCI continues to progress negotiations for the supply of salt into the Japan, Korea and Taiwan markets.

Additionally, the Company signed a non-binding Strategic Cooperation Framework Agreement with Befar Group during the quarter, initiating negotiations for the potential sale of Mardie's high-quality industrial salt. Befar Group, located in Binzhou, China, has over 50 years of history in the industry and multiple business segments, including chloralkali, petrochemicals, new materials, new energy, and specialty chemicals. This agreement underscores the growing interest in Mardie salt and marks another important step in establishing long-term commercial relationships.

<sup>7</sup> Refer to ASX announcement dated 01/02/2024 "A\$315M Fully Underwritten Equity Raising Launched". Refer to ASX announcement dated 20/12/23 "Syndicated Facility Agreement for the Mardie Project Finance Debt Completed." The project finance debt facilities remain subject to satisfaction of Conditions Precedent to first drawdown.

<sup>8</sup> Refer ASX Release dated 04/10/2024 "BCI Minerals achieves financial close for the Mardie Project debt finance facility".

<sup>9</sup> Credit approvals relate to the "Mardie salt project", which includes all components of the Mardie Project other than the Sulphate of Potash (SOP) plant. The Project debt financing is fully underpinned by salt revenues only. The base case capital requirements of the salt first phase of the Mardie Project are \$1,287 million plus contingency of \$156 million.

## Salt Market Activity

The CFR pricing of salt is inclusive of shipping costs and during the quarter the CFR price for salt declined on the back of lower shipping costs. The underlying price of salt remained stable which continues to support the development and timing of the Mardie Project.

Australian supply to the region remained consistent on a Q3 prior comparative year (“PCP”) basis. Regional demand was supported by a mild Indian monsoon season, which saw an increase in export volumes for Q3 on a PCP basis, replacing deficits seen from Mexican supply.

**Table 1: Quarterly Salt CFR Pricing**

Product	Region	Sept 2024 Price (US\$/mt)	June 2024 Price (US\$/mt)
Salt CFR	Quarterly import prices of salt into Asia (excluding China) <sup>10</sup>	\$50	\$52~\$54
Salt CFR	Chinese Domestic supply (East Coast) <sup>11</sup>	\$46-48	\$50~\$52

## Iron Valley

BCI Minerals divested its Iron Valley assets in this quarter, and successfully completed the transaction on 2 July 2024. As announced in June 2024<sup>12</sup>, the Company entered into a binding agreement with Polaris Metals Pty Ltd (Polaris), a wholly owned subsidiary of Mineral Resources Limited, to sell its Iron Valley assets, for a total maximum potential consideration of \$72.6M. The sale completed on 2 July 2024 and BCI Minerals received \$26M. A deferred payment of \$34.1M is to be paid during July 2025. Additionally, BCI Minerals will receive a \$12.5M contingent payment on Polaris (or a successor in title) commencing mining at the Iron Valley North Pit.

This transaction is aligned with the Company’s strategic objective to develop an industrial minerals business with salt and SOP as our initial focus and creates value for shareholders, simplifies operations, and strengthens the focus on the Mardie Project.

**– ENDS –**

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

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<sup>10</sup> Source: Global Trade Tracker.

<sup>11</sup> Source: Chinese Chlor-Alkali Industry Association.

<sup>12</sup> Refer to ASX Announcement dated 14/06/24 “Sale of Iron Valley”

## ABOUT BCI MINERALS

BCI Minerals Limited (ASX: BCI) is an Australian-based mineral resources company which is operating an industrial minerals business, with salt and potash as its initial focus.

BCI Minerals is developing its 100 per cent owned Mardie Salt & Potash Project, a 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 5.3Mtpa of high-purity salt (>99.5 per cent NaCl) and 140ktpa of Sulphate of Potash\* (SOP) (>52 per cent K<sub>2</sub>O) via solar evaporation of seawater. Main construction of the Mardie Project commenced in early 2022 and operations commenced in September 2024.

(ABN 21 120 646 924)

\*FEED studies are currently underway to understand the full operational flowsheet, cost and schedule.



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## FORWARD-LOOKING STATEMENTS

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