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ASX Release
29 October 2020

SEPTEMBER 2020 QUARTERLY RESULTS

STRONG IRON VALLEY EARNINGS AND SUCCESSFUL ENTITLEMENT OFFER TO SUPPORT MARDIE DEVELOPMENT WORK

- **Iron Valley Mine delivered quarterly EBITDA to BCI of A$7.1M from 1.3Mt shipments**
- **Entitlement Offer raised A$47.9M to facilitate Mardie early construction works**
- **Mardie Front End Engineering Design (FEED) and Optimisation work continued**
- **Executive team strengthened with several key appointments**
- **Mardie Project granted Major Project Status by the Federal Government**
- **Cash balance of A$80.8M (pro-forma including net entitlement offer proceeds) and zero debt**

BCI Minerals Limited (ASX:BCI) is pleased to present its quarterly activities report for the period ended 30 September 2020.

MARDIE SALT & POTASH PROJECT

The 100% owned Mardie Project will produce salt and sulphate of potash ("SOP") from seawater on the northwest coast of Western Australia, one of the world's premium locations for solar evaporation operations. Mardie is a unique and sustainable opportunity, which will use an inexhaustible seawater resource and apply mainly natural solar and wind energy to drive production of salt and SOP. Mardie can become a Tier 1 operation categorised by its long life, large scale and lowest quartile salt operating costs (after SOP by-product credits). High-quality salt and SOP products will be supplied into the Asian growth markets over a potential operating life of 60+ years.

Successful Completion of Entitlement Offer

BCI announced a fully underwritten 1 for 2 accelerated non-renounceable Entitlement Offer during the quarter to raise gross proceeds of A$47.9M at an issue price of A$0.24 per share. The Entitlement Offer was successfully completed in October 2020.

The Entitlement Offer was fully underwritten by Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited. Strong support was received from BCI's existing major shareholders, providing excellent endorsement for the Mardie Project and BCI's development plans. Shareholders with a combined voting power of approximately 42% committed to taking up their full pro rata entitlements of A$20.2M and sub-underwriting agreements were entered into with Wroxby Pty Ltd, Sandon Capital Pty Ltd and Ryder Capital Management Pty Ltd for the entire shortfall.

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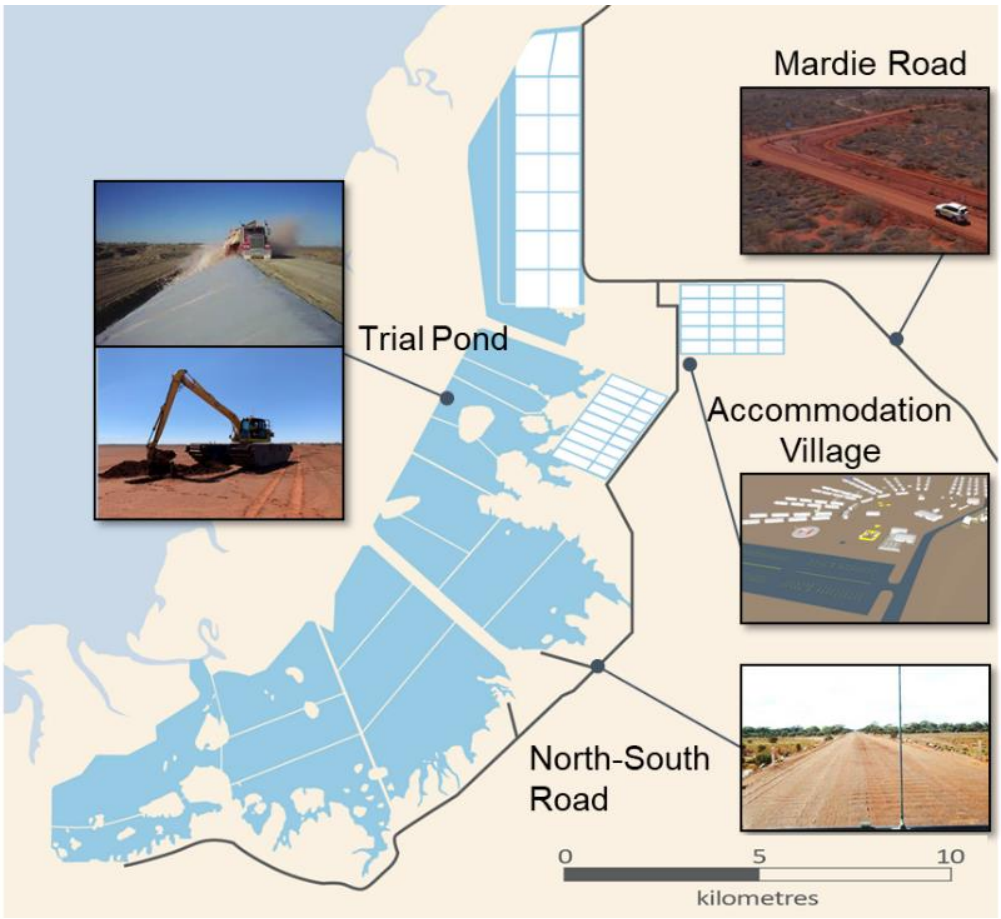
The Institutional Entitlement Offer was strongly supported and raised approximately A$20.8M. The Retail Entitlement Offer raised approximately A$5.5M, with sub-underwriters taking up the shortfall of A$20.6 million to complete the A$47.9 million raising.

Upon completion of the Entitlement Offer, Wroxby Pty Ltd had increased its shareholding in the Company to 39.6% and Sandon Capital Pty Ltd had increased to 6.1%.

Mardie Early Works Program

Proceeds from the Entitlement Offer will be deployed towards early construction works, which are expected to include the large scale trial pond, major roads, accommodation village, site communications, initial power supply facilities and ordering of long lead time items (e.g. pumps). Early works are expected to commence in December 2020 and will allow BCI to accelerate full project construction commencing by mid-2021 once all approvals, tenure and funding are in place.

Figure 1: Mardie Early Works Program



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FEED and Optimisation

Following completion of the DFS, Front End Engineering Design ("FEED") work has commenced with support of BCI's FEED engineer GR Engineering Services. The FEED program is focused on further de-risking development of the Mardie Project and aims to develop project designs to a level suitable for entering into low risk construction contracts.

As part of the FEED program, optimisation opportunities are being evaluated in relation to project layout and production rates, execution schedules, upfront capital costs and operating costs. The optimisation potential is enhanced by the additional tenements secured by BCI immediately north of the Mardie Project.

During the quarter, port and transhipper simulations were successfully completed at HR Wallingford facilities in Fremantle (see Figure 2). The simulations were undertaken to confirm the operability of the port and transhipper designs under a wide range of potential conditions, and to support detailed designs and development applications being submitted to the Pilbara Ports Authority ("PPA"). Teams from the PPA, Department of Transport, BCI as well as engineering and maritime experts observed the proceedings. Key findings of the simulation will be incorporated into the FEED.

Figure 2: BCI transhipper simulation at HR Wallingford facilities in Fremantle



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Evaporation and Processing Trials

BCI is conducting evaporation and crystallisation trials, which include a 1:40,000 scale version of the entire future pond and crystalliser layout at the Mardie site and a crystallisation set-up at BCI's Perth based facilities. The trials continued to operate at steady-state during the quarter, producing both raw salt and kainite-type mixed salts ("KTMS") which will be incorporated into larger-scale salt and SOP pilot plant programs.

A salt pilot plant (approximately 3m x 2m x 2m in dimension) is being scoped for installation to process approximately 10 tonnes of raw salt for flowsheet finalisation and further testwork by potential offtake customers. The salt pilot plant is expected to be operational by Q1 2021.

A new batch of KTMS feed liquor was transported from site to BCI's facilities in Perth and approximately 700kg of KTMS has been crystallised to date (see Figure 3). KTMS will be used for SOP processing testwork and pilot plant programs which are being scheduled for early 2021.

Figure 3: Crystallised KTMS sample



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Key Executive Appointments

With BCI moving the Mardie Project rapidly towards development, a recent focus has been on strengthening the Company's skills and experience to support this important next phase of growth.

Several appointments have been made to the executive team, including: Sam Bennett as Project Director (most recently WSP Global) who will be responsible for the contracting and construction of the Mardie Project; Colyn Louw as Head of People and Safety (most recently Covalent Lithium); Angela Glover as Head of Corporate Relations and Communities based in Karratha (most recently BBI), managing the planned BCI regional office and local engagements. Current Project Director, Tony Chamberlain, is transitioning to the role of Chief Operating Officer, focusing on numerous additional Mardie optimisation/expansion options and operational readiness work.

Mardie Granted Major Project Status

During the quarter, the Mardie Project was granted Major Project Status by the Australian Federal Government.

The Minister for Industry, Science and Technology, the Hon. Karen Andrews MP, approved the grant of Major Project Status, acknowledging the potential for the Mardie Project to positively contribute to the economic prosperity of Australia and in particular, the Pilbara region. Major Project Status is valid for three years and provides BCI with support from the Major Projects Facilitation Agency to enable a timely and efficient approvals process for the development of the Mardie Project.

Tenure and Approvals

The public review period for the Mardie Environmental Review Document ("ERD") ended during the quarter, with a relatively limited number of comments received. BCI is currently in the process of responding to submissions and is targeting to achieve EPA endorsement of the Mardie Project by early 2021.

BCI continues to work closely with the PPA and the Department of Planning, Lands and Heritage to secure the tenure and agreements required to develop the Mardie Port facilities within the new Cape Preston West Port area. Applications for Mining Lease and other tenure have been submitted and land access arrangements with the pastoralist and gas pipeline owners are being progressed.

Offtake

BCI currently has 13 non-binding salt offtake memoranda of understanding ("MOUs") with potential customers in the key markets of China, Japan and South East Asia for potential offtake of 4.5Mtpa salt per annum, which is more than Mardie's intended annual production. Two SOP offtake MOUs are in place for 90ktpa or 75% of planned production.

With the DFS complete and salt samples available, BCI is now actively pursuing several large-scale industrial customers with the aim of securing additional MOUs and establishing binding offtake agreements in the future.

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Funding

BCI continues to discuss potential long tenor debt funding with the Federal Government's Northern Australia Infrastructure Facility ("NAIF"). In addition, encouraging discussions are continuing with several Australian and international banks regarding potential project finance debt. The completion of the DFS has allowed detailed due diligence with NAIF and banks to progress during the quarter. A range of independent experts engaged on behalf of these potential lenders are completing reviews of various aspects of the Mardie Project including technical, environmental & social, salt market and SOP market amongst others.

IRON VALLEY MINE

Iron Valley, which is operated by Mineral Resources Ltd (ASX:MIN), shipped 1.3Mt for the September 2020 quarter, comprising just over 50% lump.

BCI's EBITDA from Iron Valley for the quarter was A$7.1M, which includes a positive prior period adjustment of A$1.7M.

From a cash flow perspective, June 2020 quarter net receipts of A$2.0M were received in July 2020 and September 2020 quarter net receipts of A$7.4M will be received by end of October 2020. Differences between quarterly EBITDA and net receipts arise primarily due to timing differences from adjustments between the provisional and final pricing of certain shipments.

Figure 4: Iron Valley Quarterly Shipments (M wmt)

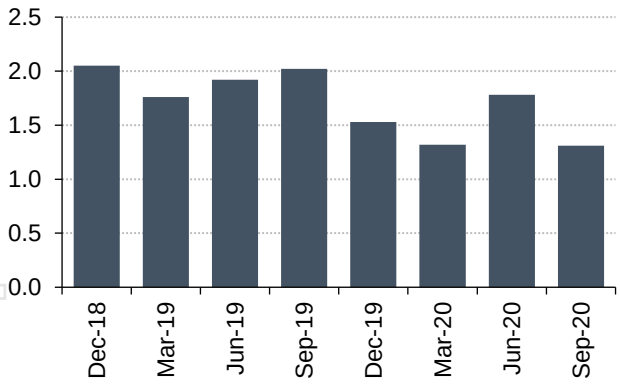
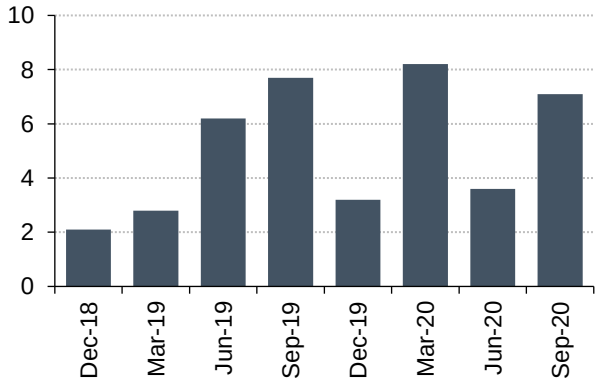


Figure 5: Iron Valley Quarterly EBITDA (A$M)



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 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% K_2O) 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 early 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 bank[1]	$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	

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