

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

This information should be read in conjunction with BCI Minerals Limited's Interim Financial Report for the half-year ended 31 December 2020.

Company Details

Name of entity: BCI Minerals Limited

ABN: 21 120 646 924

Results for announcement to the market

	December 2020 \$000	December 2019 \$000	Up / Down	% Movement
Revenue from continuing operations	53,121	39,396	Up	35%
Profit /(loss) after income tax from continuing operations	31	(4,125)	Up	N/A
Net profit/(loss) attributable to members	31	(4,125)	Up	N/A

Dividends

No dividends have been declared for the half-year ended 31 December 2020 (December 2019: nil).

Net tangible asset backing

Net tangible asset backing per ordinary share: \$0.22 (2019: \$0.25).

Previous corresponding period

The previous corresponding period is the half-year ended 31 December 2019.

Audit

This report is based on financial statements which have been audited by BDO Audit (WA) Pty Ltd.

Commentary on results for the period

The Company's profit after income tax for the half-year ended 31 December 2020 was \$0.03M, which is a result of positive earnings from Iron Valley driven by higher iron ore pricing and further investment to advance the Mardie Salt and Potash Project.

Detailed commentary on the results for the half-year is contained in the ASX release and the interim financial report that accompany this announcement.



FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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DIRECTORS' REPORT

The Directors present their report on the results of the Consolidated Entity (referred to hereafter as "BCI" or the "Company") consisting of BCI Minerals Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activities of the Company during the course of the half-year were the development of assets in the Pilbara region of Western Australia, including the Mardie Salt & Potash Project. The Company also receives iron ore royalty earnings from the Iron Valley Mine.

There has been no significant change in the nature of the Company's activities during the half-year.

DIRECTORS

The names of directors of the Company in office during the half-year and up to the date of this report unless otherwise stated are:

Brian O'Donnell	Non-Executive Chair
Alwyn Vorster	Managing Director (Executive)
Michael Blakiston	Non-Executive Director
Jenny Bloom	Non-Executive Director
Garret Dixon	Non-Executive Director
Richard Court	Non-Executive Director (Appointed 28 January 2021)

DIVIDENDS

No dividends have been declared in relation to the half-year ended 31 December 2020 (June 2020: Nil).

ROUNDING OF AMOUNTS

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument, amounts in the directors' report and half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

REVIEW OF OPERATIONS

BCI is an Australian-based resources company that is developing the Mardie salt and potash project in the Pilbara region of Western Australia, supported by iron ore royalty earnings from the Iron Valley mine.

The operations and results of the Company for the half-year ended 31 December 2020 are reviewed below. This review includes information on the financial position of the Company, its business strategies and prospects for the remainder of the current financial year and for future financial years. It is recommended that this report is read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by the Company during or since the half-year ended 31 December 2020 in accordance with the continuous disclosure requirements of the Australian Securities Exchange ("ASX") Listing Rules.

The previous corresponding period for profit or loss and cash flow is the half-year ended 31 December 2019.

Safety performance

BCI is committed to providing a safe working environment for all staff and contractors. No lost time injuries ("LTIs") have been recorded for more than 5 years and the lost time injury frequency rate ("LTIFR") at 31 December 2020 was zero (December 2019: 0.0).

Mineral Resources Limited ("MIN") is responsible for Occupational Health and Safety matters at Iron Valley and therefore BCI does not report safety performance for the Iron Valley Mine.

Mardie Salt & Potash Project

During the interim period, BCI continued to progress the 100% owned Mardie Salt & Potash Project with the focus for the period on establishing supporting infrastructure, optimisation of project design, advancing project approvals and tenure and progressing debt funding arrangements.

The DFS was announced on 1 July 2020, confirming the Project is a technically viable, economically attractive and sustainable development opportunity. The DFS demonstrates that Mardie can become a Tier 1 salt and SOP operation producing 4.4Mtpa of high purity salt and 120ktpa of premium SOP fertiliser, generating a pre-tax NPV₇ of approximately \$1.2B and annual EBITDA of nearly \$200M.

BCI achieved a key milestone during the half year with the Federal Government's Northern Australia Infrastructure Facility ("NAIF") announcing a positive investment decision to provide a loan facility of up to A\$450M to be used for construction and ramp-up of the Mardie Project which will have a tenor of 15 years from financial close. The loan approval is subject to BCI demonstrating meaningful progress with the Project by 31 March 2021, facility documents being formalised and satisfaction of conditions to funding. The NAIF loan will exist alongside other debt tranches and BCI is well advanced in due diligence with a consortium of lenders regarding project financing arrangements.

BCI progressed the approvals and tenure required for development of the Mardie Project. The public review period for The Environmental Review Document ("ERD") ended in September 2020 and BCI has responded to the submissions received. The Group continues to liaise with the WA Environmental Protection Authority ("EPA") in the final stages of the environmental approvals process and is targeting EPA endorsement of the Mardie Project in late Q1 of 2021, followed by final Ministerial approval by Q2 2021.

BCI continued to work closely with the Pilbara Ports Authority ("PPA") and the Department of Planning, Lands and Heritage to secure the tenure and agreements required to develop the Mardie Port facilities within the Cape Preston West Port area. Other tenure and access arrangements required for the Project were also progressed.

BCI is increasing its presence in the Pilbara region and engagement with the local community and businesses as the Mardie Project approaches the construction phase. During the half year, the Group entered into a lease for a regional office located in Karratha and awarded the fit-out contract to a local business. To progress local engagement, BCI has developed an Australian Industry Participation Plan for the Mardie Project, which was approved by the Department of Industry, Science, Energy and Resources in January 2021. An Indigenous Engagement Strategy ("IES") has also been finalised by the Group as part of the NAIF funding process.

Provided all key approvals and tenure are secured, BCI is targeting a Final Investment Decision for the Mardie Project during Q2 of 2021 with construction to commence by mid-2021.

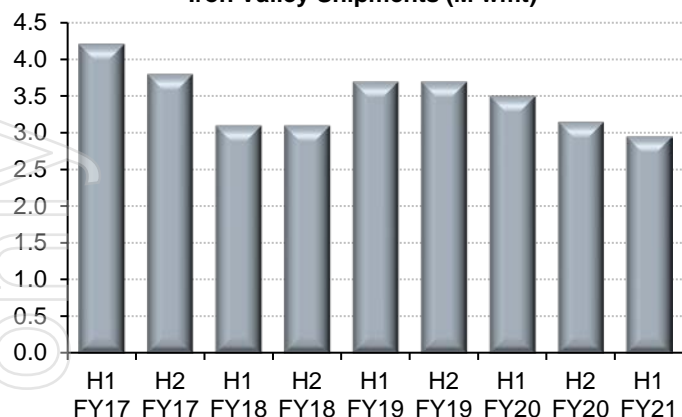
Iron Valley Mine

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.

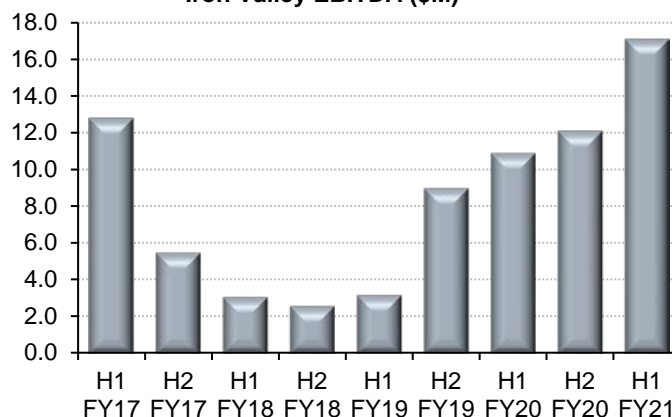
During the half year ended 31 December 2020, MIN shipped 2.9 million wet metric tonnes ("Mwmt") (December 2019: 3.5Mwmt), generating revenue for BCI of \$53.0M (December 2019: \$39.1M) and EBITDA of \$17.1M (December 2019: \$10.9M). The improved result during the half year was due to a continuation of strong pricing for iron ore with the average Platts CFR 62% price for the half year increasing to \$124/dmt compared to \$95/dmt for the same period last year.

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.

Iron Valley Shipments (M wmt)



Iron Valley EBITDA (\$M)



Corporate

Annual General Meeting

The Company's annual general meeting was held in Perth on 26 November 2020. All ten resolutions considered at the meeting were passed.

Successful Completion of Entitlement Offer

On the 14th of September 2020, the Company announced a fully underwritten 1 for 2 accelerated non-renounceable Entitlement Offer to raise gross proceeds of \$47.9M at an issue price of \$0.24 per share. The Entitlement Offer was successfully completed in October 2020.

REVIEW OF RESULTS

Statement of profit or loss

The Company's net profit after income tax for the half-year ended 31 December 2020 was \$0.03M (December 2019: loss of \$4.1M), which is a result of positive earnings from Iron Valley and increased expenditure on progressing and developing the Mardie Salt and Potash Project.

The following table provides a summary of the Company's statement of profit and loss:

	December 2020 A\$M	December 2019 A\$M
Continuing operations		
Net Revenue	53.1	39.4
Expenditure	(53.1)	(43.5)
Profit on sale of exploration tenement	-	-
Net profit/(loss) after tax	-	(4.1)

The Company's EBITDA for the half-year ended 31 December 2020 was a profit of \$2.0M (December 2019: loss \$3.2M) which incorporates positive EBITDA of \$17.1M from Iron Valley and expenditure of \$12.6M on the Mardie Project.

The following table shows the EBITDA contribution for each segment of the Group:

	December 2020 A\$M	December 2019 A\$M
Continuing operations		
Iron Valley	17.1	10.9
Tenements & Other Interests	(0.2)	(0.2)
Mardie	(12.6)	(11.2)
Other	(2.3)	(2.7)
Total EBITDA	2.0	(3.2)

Statement of cash flows

Cash and cash equivalents as at 31 December 2020 comprised \$78.5M (June 2020: \$41.5M), the increase over the half year is due to inflows from the equity capital raise completed during October and receipt of funds from Iron Valley royalties.

Statement of financial position

Net assets increased to \$150.3M (June 2020: \$104.1M) primarily due to increased cash on hand following completion of an Entitlement Offer during the period, plus an increase in amount receivable from Iron Valley for the December quarter.

The Company's gross debt position remained nil (June 2020: Nil).

At 31 December 2020, cash and cash equivalents exceeded debt by \$78.5M (June 2020: \$41.5M).

Dividends

The Directors have not paid or declared any dividends since the commencement of the half-year ended 31 December 2020.

	2020	2019
a) out of the profits for the year ended 30 June 2020 and retained earnings on fully paid ordinary shares (2019: nil).	Nil	Nil
b) out of the profits for the half-year ended 31 December 2020 and retained earnings on fully paid ordinary shares.	Nil	Nil

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier 1 project, on the West Pilbara coast. During the first half of CY2021, BCI aims to progress key funding approval and tenure related matters with the aim of making a final investment decision on the Mardie Project during Q2 of 2021. Construction is expected to commence by mid-2021 with a target to achieve first salt sales by mid-2024 and first SOP sales by mid-2025.

BCI expects to continue to receiving revenue and EBITDA from Iron Valley during the following year. The Company may also receive income from divestment of exploration tenements or other assets held.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs.

EVENTS SINCE THE END OF THE REPORTING PERIOD

On 10 February 2021, BCI entered into an agreement to transfer its remaining interests in certain rights to develop a new port at Cape Preston East (CPE) including an approval from the Minister for Environment - Ministerial Statement 949 (as amended) to implement BCI's CPE port proposal and various intellectual property including designs and studies to support the development.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial periods subsequent to the half-year ended 31 December 2020.

AUDIT INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to the independent auditor's report and forms part of the Directors' Report.

Signed in accordance with a resolution by the Directors.

A handwritten signature in blue ink, appearing to read "Brian O'Donnell".

Brian O'Donnell
Chair
Perth, Western Australia
25 February 2021

A handwritten signature in blue ink, appearing to read "Alwyn Vorster".

Alwyn Vorster
Managing Director
Perth, Western Australia
25 February 2021

DIRECTORS' DECLARATION

In the opinion of the Directors of BCI Minerals Limited:

- a. the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- b. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Brian O'Donnell
Chair
Perth, Western Australia
25 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	December 2020 \$000's	December 2019 \$000's
Revenue from continuing operations			
Sale of goods		52,957	40,109
Other revenue		164	(713)
Total revenue from continuing operations	1	53,121	39,396
Cost of sales	2	(37,095)	(29,325)
Administration expenses	2	(3,319)	(2,599)
Exploration and evaluation expenditure		(12,681)	(11,621)
Profit on sale of asset		-	41
Profit on sale of exploration tenement		23	-
Profit / (loss) before finance costs and income tax		49	(4,108)
Finance costs		(18)	(17)
Profit / (loss) before income tax		31	(4,125)
Income tax benefit / (expense)	3	-	-
Profit / (loss) after income tax from continuing operations		31	(4,125)
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss		-	-
Profit / (loss) for the year attributable to owners of BCI Minerals Limited		31	(4,125)
		Cents	Cents
Basic profit / (loss) per share from continuing operations		0.01	(1.03)
Diluted earnings / (loss) per share from continuing operations		0.01	(1.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
AS AT 31 DECEMBER 2020

	Notes	December 2020 \$000's	June 2020 \$000's
Current assets			
Cash and cash equivalents		78,489	41,548
Short term investments		657	552
Trade and other receivables		28,966	16,205
Total current assets		108,112	58,305
Non-current assets			
Receivables		12,367	12,295
Property, plant and equipment	4	39,139	39,848
Exploration and evaluation assets	5	8,985	6,425
Intangibles	6	18,502	18,502
Right of use assets		968	745
Total non-current assets		79,961	77,815
Total assets		188,073	136,120
Current liabilities			
Trade and other payables		23,145	18,345
Lease liabilities		379	231
Provisions	7	647	591
Total current liabilities		24,171	19,167
Non-current liabilities			
Lease liabilities		637	541
Provisions	7	12,967	12,295
Total non-current liabilities		13,604	12,836
Total liabilities		37,775	32,003
Net assets		150,298	104,117
Shareholders' equity			
Contributed equity	8	313,175	267,303
Reserves	9	5,733	5,455
Accumulated losses	10	(168,610)	(168,641)
Total shareholders' equity		150,298	104,117

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Contributed equity \$000's	Accumulated losses \$000's	Reserves \$000's	Total \$000's
Balance at 1 July 2019	267,212	(169,018)	5,418	103,612
Profit for the year	-	377	-	377
Reclassification to profit or loss	-	-	-	-
Total comprehensive profit	-	377	-	377
Transactions with equity holders in their capacity as equity holders				
Performance Rights converted	91	-	(91)	-
Share based payments	-	-	128	128
Balance at 30 June 2020	267,303	(168,641)	5,455	104,117
Profit for the period	-	31	-	31
Reclassification to profit or loss	-	-	-	-
Total comprehensive profit	-	31	-	31
Transactions with equity holders in their capacity as equity holders				
Contribution of equity net of transaction costs	45,872	-	-	45,872
Share based payments	-	-	278	278
Balance at 31 December 2020	313,175	(168,610)	5,733	150,298

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	December 2020 \$000's	December 2019 \$000's
Cash flows from operating activities		
Receipts from customers	40,298	50,821
Payments to suppliers and employees	(45,274)	(48,493)
Income tax refund	-	-
Interest received	164	287
Interest paid on lease liabilities	(18)	(17)
Net cash (outflow) / inflow from operating activities	(4,830)	2,598
Cash flows from investing activities		
Proceeds from disposal of exploration tenement	298	-
Proceeds from disposal of plant and equipment	-	41
Payments for exploration tenement	(2,834)	-
Payments for plant and equipment	(1,303)	(1,831)
Payments for investments	(128)	(389)
Net cash (outflow) / inflow from investing activities	(3,967)	(2,179)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	45,872	-
Payment of lease liabilities	(134)	(96)
Net cash inflow / (outflow) from financing activities	45,738	(96)
Net increase in cash and cash equivalents	36,941	323
Cash and cash equivalents at beginning of the year	41,548	33,702
Cash and cash equivalents at end of the period	78,489	34,025

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

Preface to the notes

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Company. Information is considered relevant and material if:

- The amount is significant due to its size or nature;
- The amount is important in understanding the results of the Company;
- It helps to explain the impact of significant changes in the Company's business; or
- It relates to an aspect of the Company's operations that is important to its future performance.

Basis of preparation

1. Corporate information

The financial statements for BCI Minerals Limited for the half-year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 25 February 2021. BCI Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. BCI Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Company' or the 'Consolidated Entity'.

The principal activities of the Company during the course of the half-year were the development of assets in the Pilbara region of Western Australia, including the Mardie Salt & Potash Project. The Company also receives revenue from the Iron Valley Iron Ore Mine under the terms of an Iron Ore Sale and Purchase Agreement.

2. Basis of preparation

These interim financial statements for the half-year ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial statements do not include all the notes of the type normally included in an annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2020 and considered together with any public announcements made by the Company during the

half-year ended 31 December 2020 in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The half-year financial statements are presented in Australian dollars.

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the directors' report and half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

3. New, revised or amending Accounting Standards and Interpretations adopted

3.1 New and amended standards adopted by the group

There are no new or amended standards adopted by the group during the interim reporting period.

3.2 Impact of standards issued but not yet applied by the entity

There are no new standards yet to be applied by the Group.

4. Changes in accounting policy, estimates disclosures, standards and interpretations

The accounting policies and estimates made are consistent with those of the previous financial year.

5. Foreign currency

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

NOTE 1 – REVENUE

	December 2020 \$000's	December 2019 \$000's
Sales – Iron Valley	65,151	40,109
Net loss on pricing changes	(500)	(1,000)
Rebate – Iron Valley	(11,694)	-
Interest revenue	164	287
Total	53,121	39,396

NOTE 2 – EXPENSES

	December 2020 \$000's	December 2019 \$000's
Cost of sales		
Amortisation of mine properties	1,235	1,138
Royalties	35,860	28,187
Cost of sales	37,095	29,325
Administration expenses		
Employee benefits expense	874	1,235
Depreciation and amortisation	910	138
Share based payments	278	31
Non-executive directors' fees	240	200
Occupancy related expenses	118	320
Consultant and legal fees	150	159
Other	749	516
Administration expenses	3,319	2,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 3 – INCOME TAXES

	December 2020 \$000's	December 2019 \$000's
Reconciliation of effective tax rate		
Profit / (loss) before tax	31	(4,125)
Income tax at the statutory rate of 30 per cent (2019: 30 per cent)	9	(1,238)
Non-deductible expenses	83	10
Temporary differences derecognised	(690)	(488)
Tax losses not recognised/(utilised)	598	1,661
Tax refund from prior years	-	-
Under/(over) provided in prior periods and other	-	55
Income tax benefit reported in the Consolidated statement of profit or loss and other comprehensive income	-	-

The Company recognises deferred tax assets relating to carried forward tax losses to the extent they can be utilised. The utilisation of the tax losses depends on the ability of the entities to generate sufficient future taxable profits. At 31 December 2020, the Company had unrecognised deferred tax assets relating to tax losses of \$74.5M (June 2020: \$73.9M). The Company also has an R&D off-set available of \$1.5M (June 2020 \$1.5M).

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

	Mine Properties \$000's	Plant and equipment \$000's	Office furniture, equipment and IT \$000's	Total \$000's
Year ended 30 June 2020				
Opening net book value	39,502	140	41	39,683
Additions	-	2,979	335	3,314
Disposals	-	(1)	-	(1)
Reclassification of assets	-	5	(5)	-
Depreciation and amortisation expense	(2,492)	(597)	(59)	(3,148)
Closing net book value	37,010	2,526	312	39,848

At 30 June 2020

Cost	51,658	3,853	957	56,468
Accumulated depreciation and amortisation	(14,648)	(1,327)	(645)	(16,620)
Net carrying amount	37,010	2,526	312	39,848

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Mine Properties	Plant and equipment	Office furniture, equipment and IT	Total
	\$000's	\$000's	\$000's	\$000's
Half-year ended 31 December 2020				
Opening net book value	37,010	2,526	312	39,848
Additions	-	1,197	106	1,303
Disposals	-	-	-	-
Reclassification of assets	-	150	(150)	-
Depreciation and amortisation expense	(1,236)	(727)	(49)	(2,012)
Closing net book value	35,774	3,146	219	39,139
At 31 December 2020				
Cost	51,658	5,200	911	57,769
Accumulated depreciation and amortisation	(15,884)	(2,054)	(692)	(18,631)
Net carrying amount	35,774	3,146	219	39,139

NOTE 5 – EXPLORATION AND EVALUATION

	December 2020	June 2020
	\$000's	\$000's
Opening balance	6,425	2,575
Carrying value of tenements sold	(275)	-
Exploration earn-in	-	200
Exploration tenements acquisition	2,835	3,650
Net carrying amount	8,985	6,425

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 6 – INTANGIBLES

	December 2020 \$000's	June 2020 \$000's
Net carrying value of intangibles		
Royalties	15,502	15,502
Cape Preston East Port rights	3,000	3,000
Net carrying amount	18,502	18,502

Royalties

The Company holds royalties over the Koodaideri South and North Marillana Extension tenements. The assets have a finite life reflecting the underlying resource and will be amortised as the resource is depleted. Production has not commenced at either Koodaideri South or North Marillana and hence the assets remain unamortised.

Cape Preston East Port rights

The \$3.0M intangible asset reflects the value associated with the remaining intellectual property of the Cape Preston East Port being Ministerial Statement 949 (as amended), documentation of design and studies to support development of the port, all of which remain with the Group. The \$3.0M carrying value of the asset is expected to be recovered in future through sale of the intellectual property asset on commercial terms. Refer to Note 15 – Events occurring after the reporting period, for additional information on this asset.

No impairment was recognised at 31 December 2020 as no impairment indicators were present.

NOTE 7 – PROVISIONS

	December 2020 \$000's	June 2020 \$000's
Current		
Employee benefits	647	591
Total current	647	591
Non-current		
Rehabilitation	12,967	12,295
Total non-current	12,967	12,295
Total	13,614	12,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 7 – PROVISIONS (CONT'D)

Movement in Provisions in 2020

	Rehabilitation and site closure \$000's	Employee benefits \$000's	Total \$000's
Opening balance 1 July 2020	12,295	591	12,886
Charged/(credited) to profit or loss:			
Additional provisions recognised	600	246	846
Unwinding of discount (non-cash expense)	72	-	72
Amounts used during the year	-	(190)	(190)
Closing balance	12,967	647	13,614

A provision is made for the estimated cost to rehabilitate the Iron Valley site, which is offset by a receivable from Mineral Resources Limited in the amount of \$12.367M, to recognise the contractual requirement to rehabilitate the site. An additional provision was recognised during the period in relation to Iron Valley environmental obligations.

NOTE 8 – CONTRIBUTED EQUITY

	December 2020		June 2020	
	Number	\$000's	Number	\$000's
Share capital				
Ordinary shares - fully paid	598,393,833	313,196	398,928,910	267,303
Movements in ordinary share capital				
Opening balance	398,928,910	267,303	397,608,910	267,212
Share rights issue net of transaction costs	199,464,923	45,872	-	-
Issue of shares under Employee Performance Rights Plan	-	-	1,320,000	91
Closing balance	598,393,833	313,175	398,928,910	267,303

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 9 – RESERVES

	December 2020 \$000's	June 2020 \$000's
Share based payments reserve		
Balance as at 1 July	10,677	10,640
Share based payments expense (Refer to Note 13)	278	128
Issue of shares under Employee Performance Rights Plan	-	(91)
Balance at the end of the period	10,955	10,677
Financial assets at fair value through other comprehensive income		
Balance as at 1 July	(9,009)	(9,009)
Balance at the end of the period	(9,009)	(9,009)
Options exercised reserve		
Balance as at 1 July	3,787	3,787
Balance at the end of the period	3,787	3,787
Total reserves	5,733	5,455

NOTE 10 – ACCUMULATED LOSSES

	December 2020 \$000's	June 2020 \$000's
Balance as at 1 July	(168,641)	(169,018)
Net profit / (loss)	31	377
Balance as at end of the period	(168,610)	(168,641)

NOTE 11 – DIVIDENDS

During the half-year ended 31 December 2020, no dividends have been paid (June 20: Nil) and no dividends have been declared (June 20: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 12 – SHARE BASED PAYMENTS

During the half year ended 31 December 2020 the Company granted Share Rights and Performance Rights to Directors and Employees as per below.

Type	Grant date	Granted during the year	Vesting date	Fair value per right at grant date	Share price on grant date*	Expected dividends
Share Rights	31/7/2020	1,445,348	4/8/2021	\$0.190	\$0.190	0%
Share Rights	26/11/2020	855,798	4/8/2021	\$0.255	\$0.255	0%
Performance Rights	26/11/2020	7,152,888	30/6/2023	\$0.128	\$0.255	0%

*Source: www.asx.com.au

The fair value of Share Rights and Performance Rights on grant date was determined as follows:

	Share Rights 31/07/2020	Share Rights 26/11/2020	Performance Rights 26/11/2020
Grant date	31/07/2020	26/11/2020	26/11/2020
Vesting date	4/8/2021	4/8/2021	30/6/2023
Grant date share price	\$0.190	\$0.255	\$0.255
Volatility (per cent)	60.0	60.0	60.0
Dividend yield (per cent)	0	0	0
Risk free rate (per cent)	0.07	0.07	0.07

Share Rights and Performance Rights issued to Directors and Employees are subject to the following Vesting Conditions:

	Share Rights	Performance Rights
Test Date	n/a	1 July 2022
Vesting Date	4 August 2021	1 July 2023
Performance Period	n/a	1 July 2020 to 1 July 2022 plus an additional 1 year tenure period.
Vesting or Performance Conditions	Vesting of the Share Rights is subject to the continuation of employment until 30 June 2021.	<p>Performance conditions are:</p> <p>a) Total shareholder return (TSR) over the period (50% weighting):</p> <ul style="list-style-type: none"> Below 10% annual TSR, zero PRs vest. From 10% up to 20% annual TSR, proportionate vesting of 0% to 100%. 20% and above TSR, 100% vest. <p>b) Relative TSR to peer group over the period (50% weighting):</p> <ul style="list-style-type: none"> Below 50th percentile, zero PRs vest. Between 50th and 75th percentile, proportionate vesting from 50% to 100%. Equal to or above 75th percentile, 100% vest.
Conversion Period	Vested Share Rights must be converted on or before 4 August 2023. Shares issued upon conversion of the Share Rights are subject to a 12 month hold lock from the vesting date.	Vested Performance Rights must be converted on or before 30 June 2025. Shares issued upon conversion of Performance Rights are subject to a 12 month hold lock from vesting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 13 – SEGMENT INFORMATION

	Iron Valley \$000's	Mardie \$000's	Tenements & Other Interests \$000's	Other \$000's	Total \$000's
Segment Earnings					
Half-year ended December 2020					
Sales of goods	52,957	-	-	-	52,957
Other revenue	-	-	-	164	164
EBITDA	17,055	(12,614)	23	(2,434)	2,030
Profit/(loss) before income tax	15,820	(13,354)	23	(2,458)	31
Half-year ended December 2019					
Sales of goods	40,109	-	-	-	40,109
Other revenue	(1,000)	-	5	282	(713)
EBITDA	10,875	(11,182)	(151)	(2,662)	(3,120)
Profit/(loss) before income tax	9,737	(11,182)	(171)	(2,509)	(4,125)
Segment Assets and Liabilities					
As at 31 December 2020					
Segment assets	76,672	11,212	-	100,189	188,073
Segment liabilities	32,515	3,425	-	1,835	37,775
As at 30 June 2020					
Segment assets	65,162	7,533	-	63,425	136,120
Segment liabilities	26,817	2,042	-	3,144	32,003

Management has determined that the Company has four reportable segments, being Iron Valley, Mardie, Tenements and Other activities. All segments have been aggregated to form the consolidated information presented in the financial statements.

Revenue derived from iron ore sales is derived from customers located in Australia 100%.

Accounting policy

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Company's Board. Internal reporting is provided to the Board on a consolidated basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BCI MINERALS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 14 – CONTINGENT LIABILITIES AND ASSETS

As at 31 December 2020, the Company has no contingent liabilities or assets.

NOTE 15 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 10 February 2021, BCI entered into an agreement to transfer its remaining interests in certain rights to develop a new port at Cape Preston East (CPE) including an approval from the Minister for Environment - Ministerial Statement 949 (as amended) to implement BCI's CPE port proposal and various intellectual property including designs and studies to support the development.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial periods subsequent to the half-year ended 31 December 2020.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BCI Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of BCI Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, less distinct script.

Phillip Murdoch

Director

Perth, 25 February 2021

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF BCI MINERALS LIMITED

As lead auditor for the review of BCI Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of BCI Minerals Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 25 February 2021



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