

Developing the Multi-Generational Mardie Salt & Potash Project

Progress towards FID and Main Construction

personal use only



6 July 2021

ASX:BCI

www.bciminerals.com.au

Important Notices



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Summary Information Only; Material Assumptions Continue to Apply

This document contains a summary of information about BCI and the Mardie Project's feasibility study that is current as at the date of this document unless otherwise stated, the information in this document is general in nature and does not contain all the information which a prospective investor may require in evaluating a possible investment in BCI or that would be required in a prospectus or a product disclosure statement prepared in accordance with the *Corporations Act 2001* (Cth) ("Corporations Act") or the securities laws of any other jurisdiction. It should be read solely in conjunction with the information provided to ASX. For further information regarding BCI's feasibility study and subsequent optimisation results, recipients should refer to BCI's ASX announcement titled "Feasibility Study Confirms World Class Opportunity" dated 1 July 2020 and "Mardie Optimisation Results: Increased Production and Improved Economics" dated 21 April 2021. BCI confirms that all material assumptions and technical parameters that underpin the production targets and forecast financial information in those announcements continue to apply (as applicable) and have not materially changed.

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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.

JORC Code – Mardie Salt and SOP Project

The Mardie Project aims to produce salt and SOP from a seawater resource, which is abundant, inexhaustible, readily accessible and has a known and consistent chemical composition. The Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("JORC Code") does not apply to a project of this nature and, accordingly, JORC Ore Reserves and Mineral Resources are not reported.

JORC Code – Iron Valley

Reference should be made to BCI announcement dated 20 October 2020 "Iron Valley Mineral Resources and Ore Reserves". BCI confirms it is not aware of any new information or data that materially affects the information included and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Risks

An investment in BCI is subject to investment and other known and unknown risks, some of which are beyond the control of BCI.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or viewing this document you acknowledge and agree to the "Important Notices" as set out above.

BCI Overview

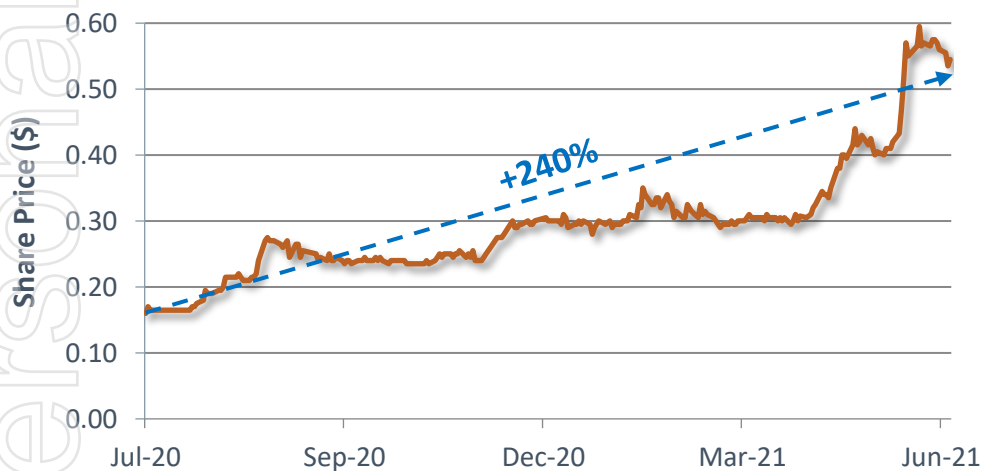
**IRON VALLEY
ROYALTIES**



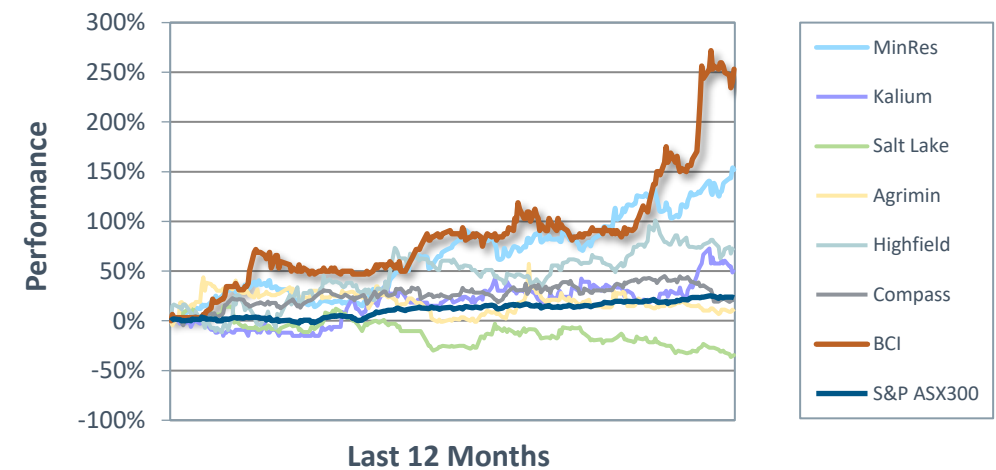
**MARDIE SALT &
POTASH PROJECT**

~\$325M market cap¹
~\$80M cash and zero debt²

BCI SHARE PRICE



BCI PERFORMANCE RELATIVE TO PEERS



¹Based on 599.2M shares at \$0.545 per share closing price as at 30 June 2021 ²Cash balance at 30 June 2021

Iron Valley Mine

Strong royalty payments to BCI

- Quarterly royalty earnings from operating agreement with Mineral Resources Ltd (MIN)
- 82Mt Reserves¹; Potential mine life of ~10 years
- Since first production in 2014:
 - BCI received revenue: \$400M
 - BCI received EBITDA: \$110M
 - Average 6.5Mtpa shipped
 - 55% lump ore; 59% Fe average
- Record BCI EBITDA in FY21
 - Q3: \$20.2M
 - Q1-Q3: \$37.3M
- Strong earnings potential at current prices and production; 40% rebate to MRL now ended

IRON VALLEY MINE



KEY IRON VALLEY PARAMETERS DETERMINING EBITDA TO BCI^{2,3}

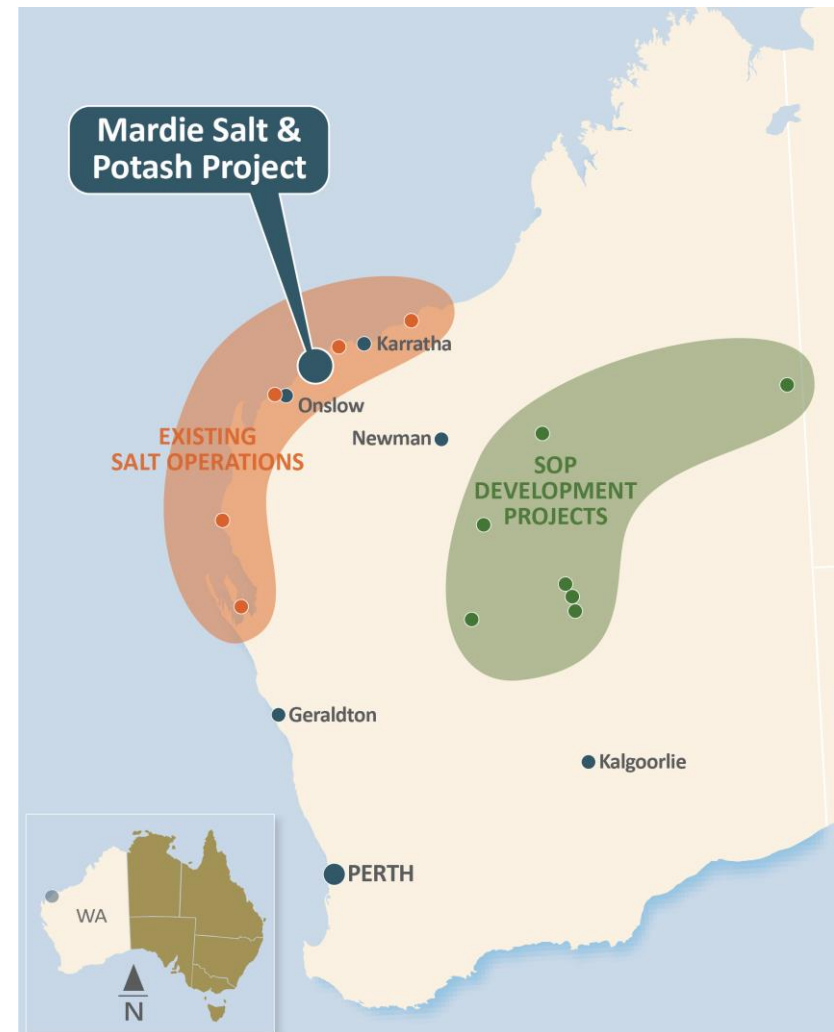
ANNUAL EBITDA (A\$M)		Iron Ore Price (CFR 62% Fe, US\$/dmt)					
		75	100	125	150	175	200
Tonnes Shipped (Mt, wet)	6.0	8	23	50	77	104	130
	6.5	8	25	54	83	112	141
	7.0	9	27	58	90	121	152
	7.5	10	29	63	96	129	163
	8.0	10	31	67	102	138	174

Australian Salt & SOP¹ Landscape

Mardie: ideal location to produce high-purity salt and SOP

- Pilbara has an ideal climate to produce high purity salt
 - High temperature, high wind, low rainfall, low humidity
 - Proven region for production of high-quality consistent salt
- Five large WA **Solar Salt Operations** (12-13Mtpa)
 - Controlled by Rio Tinto and Mitsui
 - Operating for up to 50 years
 - No new large Australian salt project in 20 years
- No current **SOP** production in Australia
 - Other development projects all based on inland lake brines and >800km road transport to third party ports
- **Mardie Salt & Potash Project**
 - Only Australian project with commercial salt and SOP from seawater

WESTERN AUSTRALIA – SALT AND SOP PROJECTS



¹Sulphate of Potash or K_2SO_4

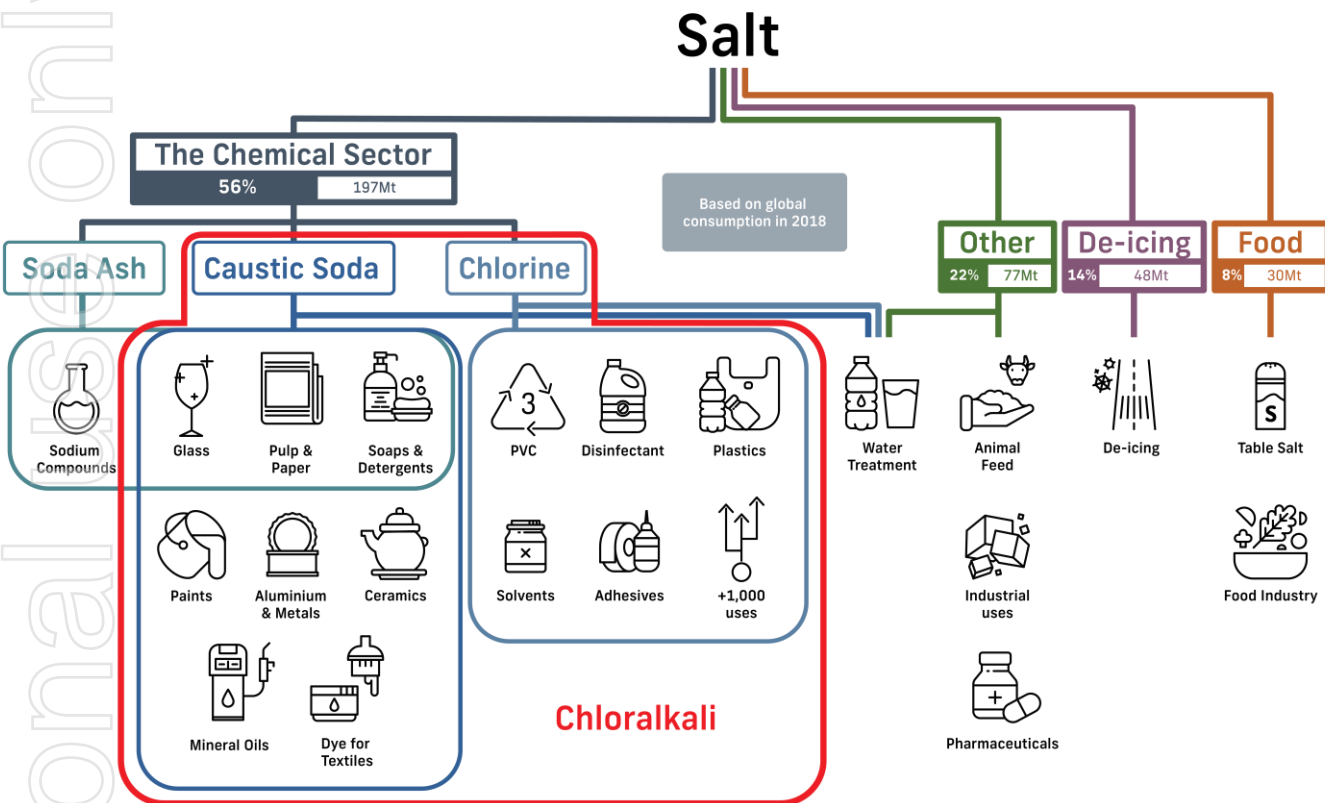
Mardie – Key Characteristics



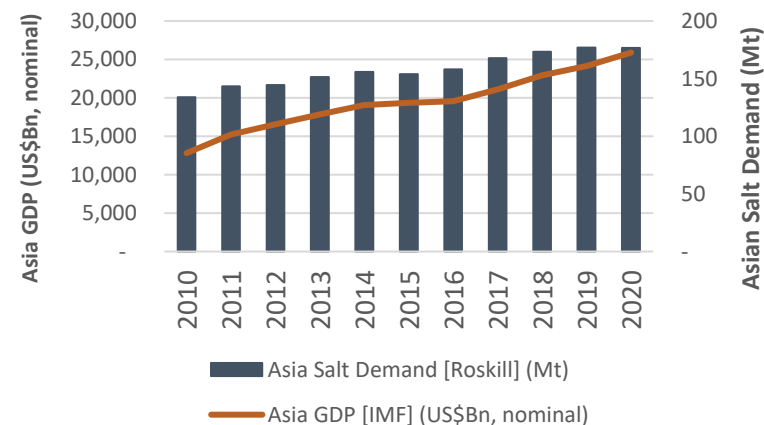
Salt Demand Closely Correlated with GDP

Salt's extensive range of end uses covering all key sectors of the economy

- 350Mtpa global market
- >10,000 direct and indirect uses across many market segments
- Strong correlation ($r=0.97$) between salt demand and Asian GDP



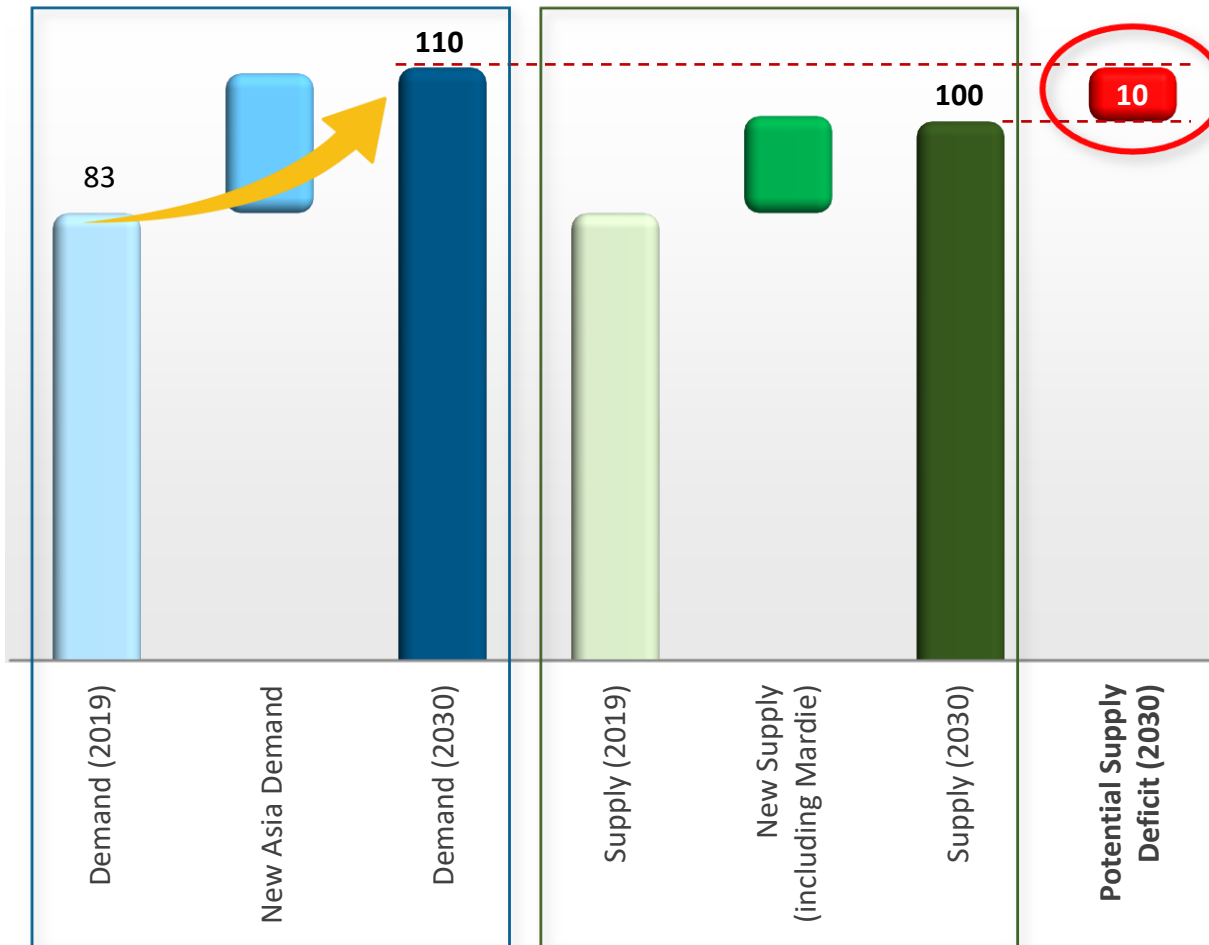
Asia Salt Consumption vs Asia GDP
(2010-2020)



Positive Salt Market Outlook

Strong demand growth in Asia and insufficient new supply

CONTESTABLE ASIAN MARKET¹ DEMAND/SUPPLY; 2019-2030 (Mt)



- Mardie's contestable market in Asia currently ~83Mtpa
- 30% demand growth forecast over next decade^{1,2}
- Insufficient new salt projects resulting in potential ~10Mtpa supply deficit³ (after including Mardie production)

¹Contestable Asian market is where the Mardie project is expected to compete on delivered cost and quality, including coastal China, Japan, Korea, Taiwan and South East Asia

²Roskill (December 2020) ³Roskill (December 2020) and BCI analysis

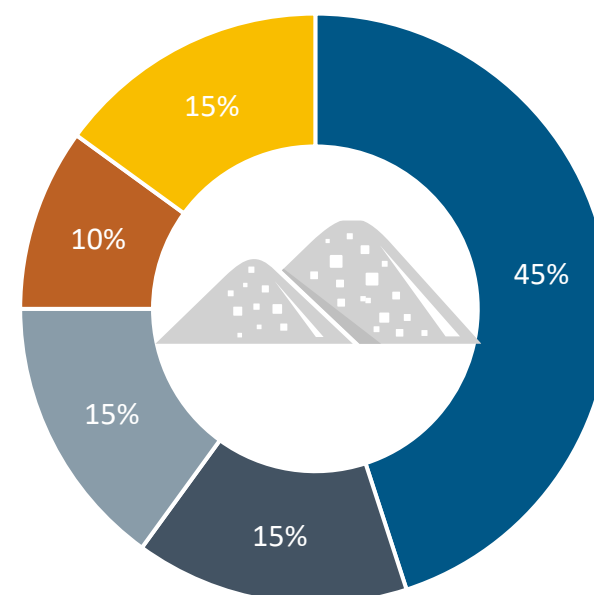
Salt Market Strategy

Strong customer interest - MOUs to be converted to offtake contracts

- Typically 2-year contracts and price settlements with individual customers – no official published benchmark
- 20-year pricing from ~US\$35/t to ~US\$75/t delivered in Asia
- BCI has strong engagement with >20 high quality Asian end-users and traders to develop future offtake support
- 15 non-binding MOUs signed across target markets covering >100% of first 3 years' salt production
- MOUs will be converted to offtake contracts by late 2022
- Mardie salt samples tested by key customers delivered on-spec results; Larger pilot scale samples to follow in 2021

TARGET MARKETS SALT (5.35MTPA)

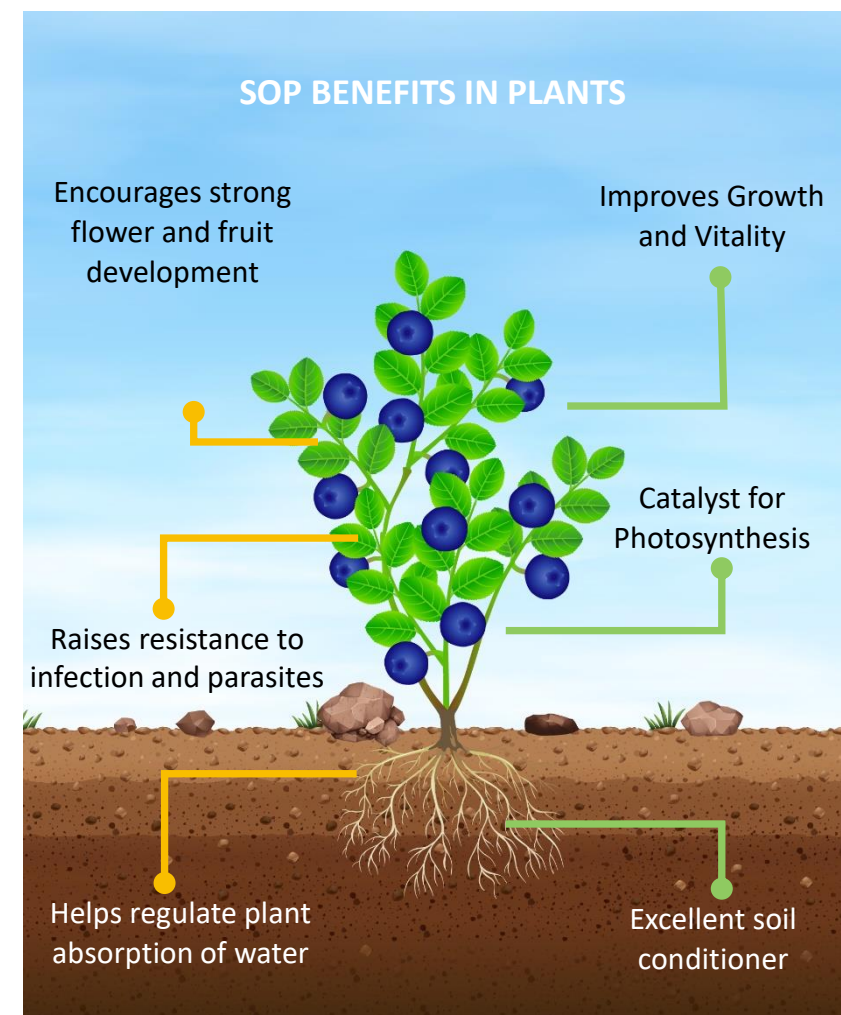
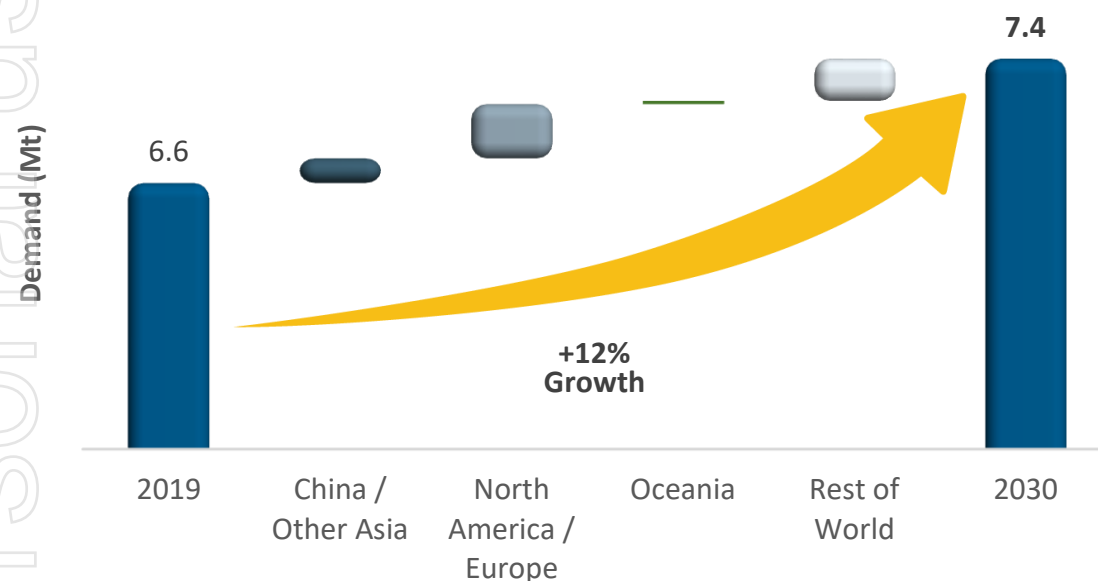
■ China ■ Japan ■ South Korea ■ Taiwan ■ Other



SOP – High Quality Potassium Fertiliser

Solid growth market driven by demand for high quality fruits and vegetables

- ~6.6Mtpa global market
- Premium fertiliser and source of potassium for high-value crops and chloride intolerant crops
- Increasing population requiring increasing high quality food; reducing arable land requiring soil friendly fertiliser = strong market growth



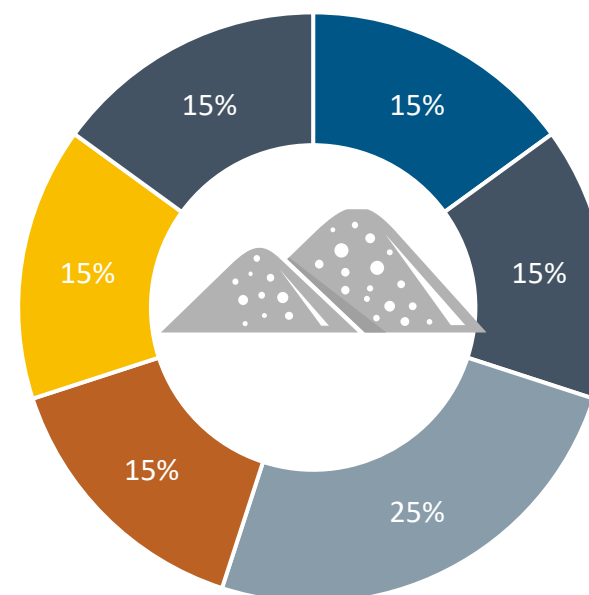
SOP Market Strategy

MOUs to be converted to offtake contracts over next 18-months

- Typical buyers include: fertiliser distributors, compound and bulk fertiliser companies
- Typically 2-5 year tonnage contracts with 1-2 year pricing – published reference pricing as guide
- 10-year pricing from ~US\$450/t to ~US\$600/t delivered in Asia
- BCI engagement with multiple high quality end-users and traders to develop future offtake support
- 2 non-binding MOUs signed covering 100% of first 3 years' SOP production
- Mardie SOP samples tested by laboratories delivered on-spec results; Larger pilot scale samples to follow in 2021

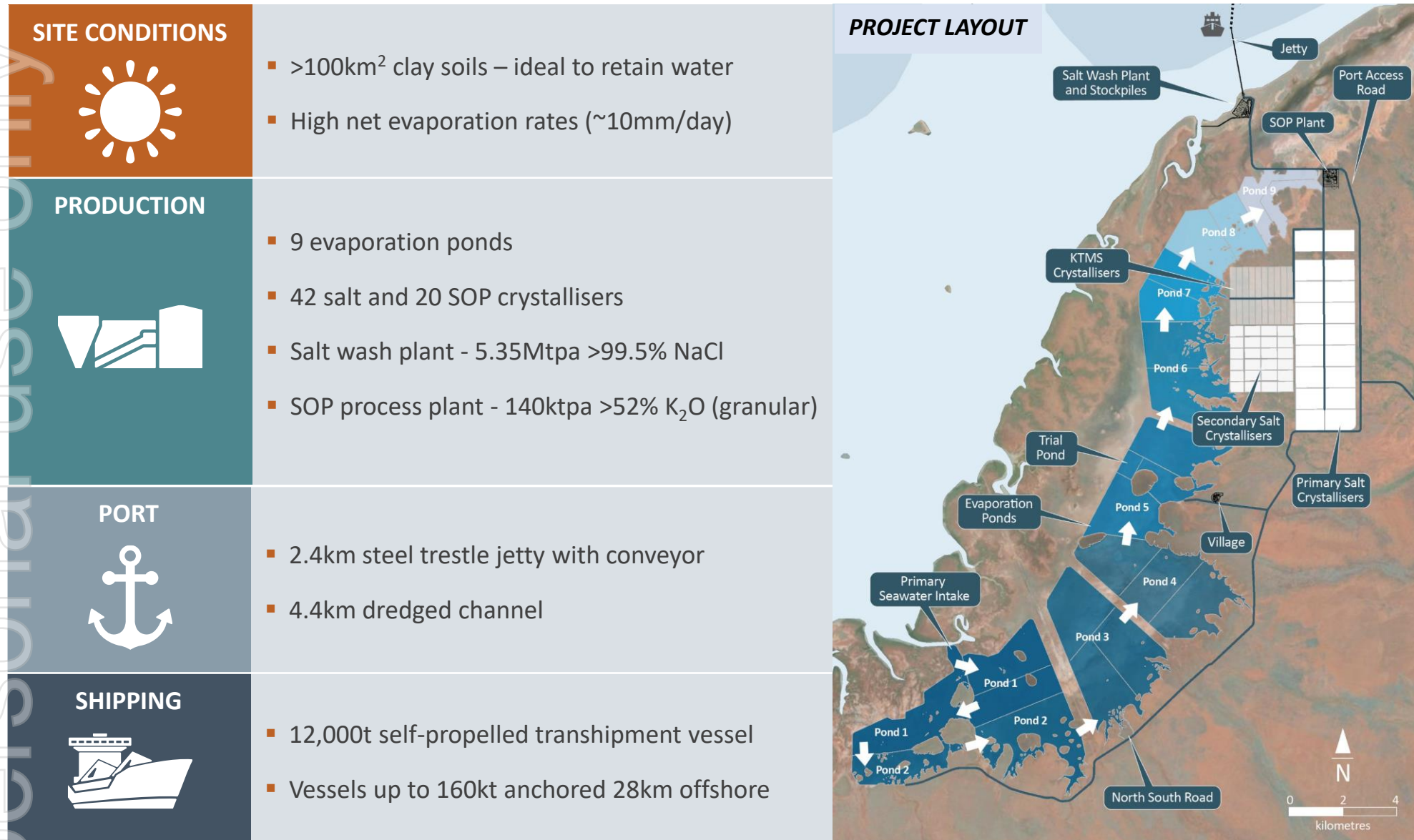
TARGET MARKETS SOP (140KTPA)

■ China ■ Japan ■ Oceania ■ USA ■ SE Asia ■ Other Asia



Mardie Project Design

Largest salt project in Australia



\$60M+ Enabling Works Underway

Establish key infrastructure¹ to accelerate Mardie development



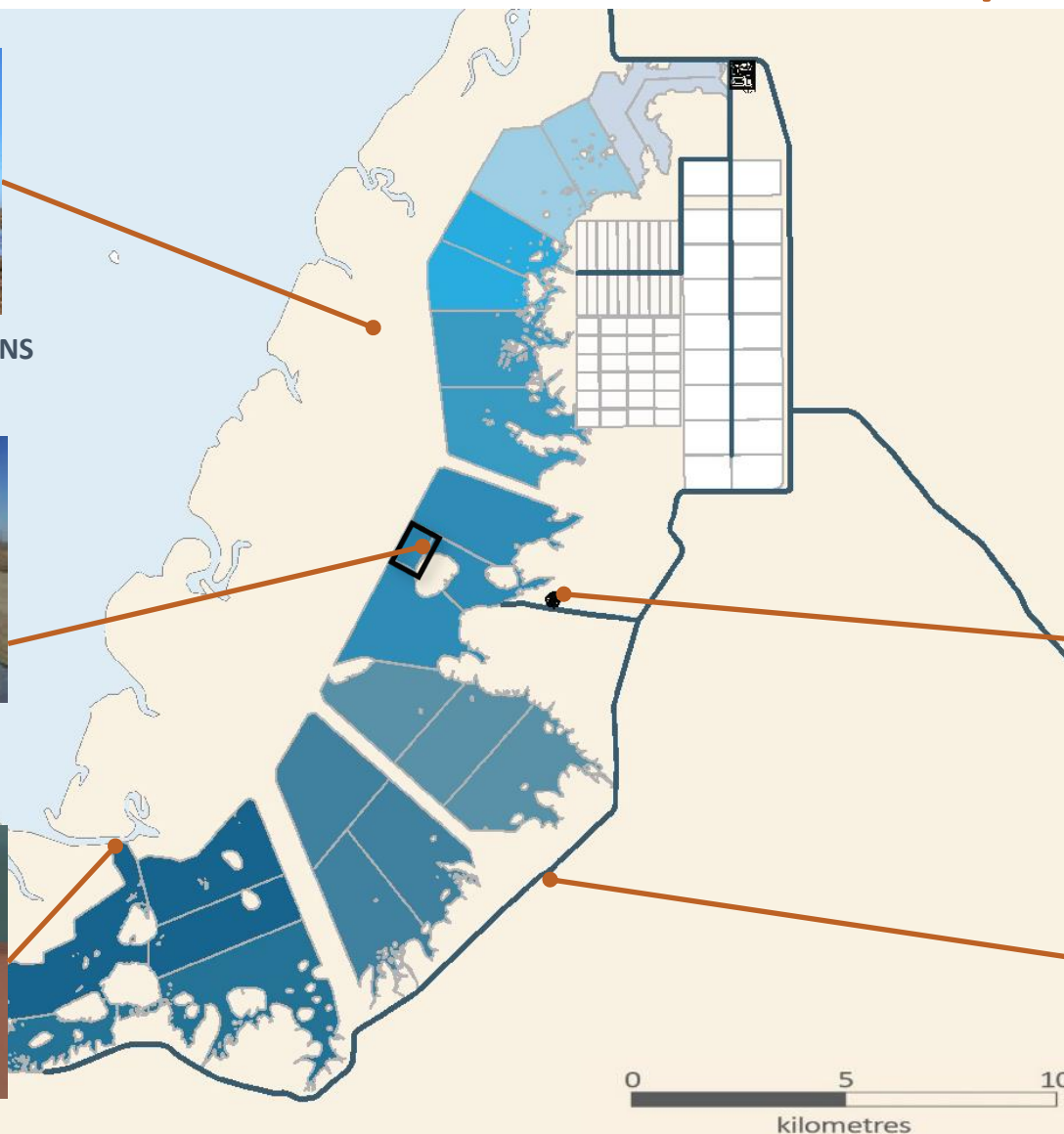
GEOTECHNICAL INVESTIGATIONS



EMBANKMENT TRIAL³



MAIN PUMP STATION²



SALT PILOT PLANT (PERTH)



VILLAGE²

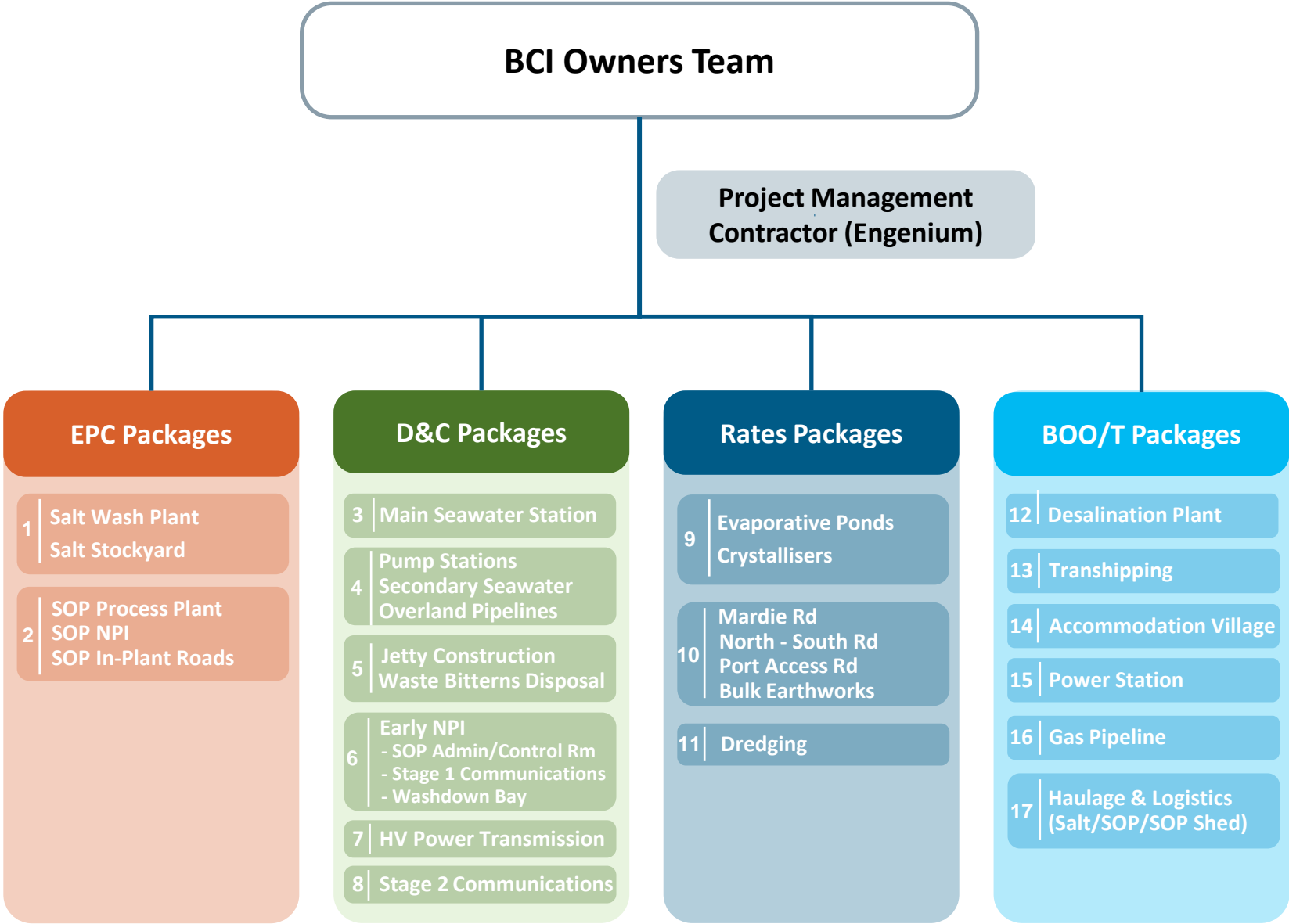


NORTH-SOUTH ROAD

¹All enabling works subject to special permitting ²Artist impression ³Illustrative

Delivery Model

Maximise fixed price contracts to reduce cost overrun risk



Positive Stakeholder & Approval Progress

Native title agreements in place; Approvals and tenure on track

GOVERNMENT



- Major Project Status - one of 20 in Australia
- NAIF loan of \$450M approved – largest in WA

ENVIRONMENT



- Expect EPA positive referral to WA Environmental Minister Jul-21
- Renewable energy and carbon neutral strategy being finalised

COMMUNITIES

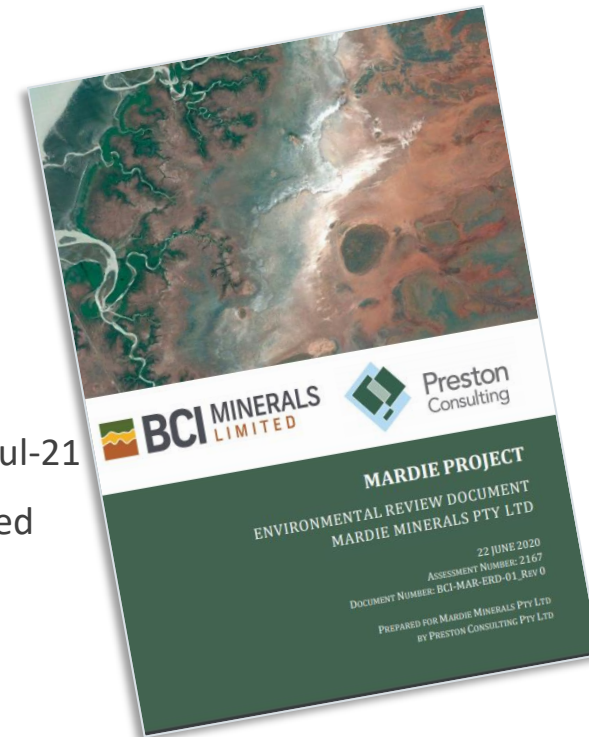


- Strong relationship with Traditional Owner groups
- Key Native Title agreements in place
- Karratha office established with focus on local engagement

TENURE



- Land access: pastoralist - complete; gas pipeline owners – progressing
- Port leases with Pilbara Ports Authority (PPA) – progressing documentation and land taking



Strong Financial Metrics

Strong financial metrics and annuity-style cash flow over at least 60 years¹

CAPITAL COST (A\$913M Real)

- A\$738M direct
- A\$175M indirect & contingency

OPERATING COST (60 year average)

- Salt A\$21.50/t FOB²
- SOP A\$337/t FOB²

PRICE (60 year average)

- Salt: US\$40/t FOB³ (A\$57/t⁴) – ~60% margin
- SOP: US\$578/t FOB⁵ (A\$825/t⁴) – ~60% margin

FINANCIALS⁶

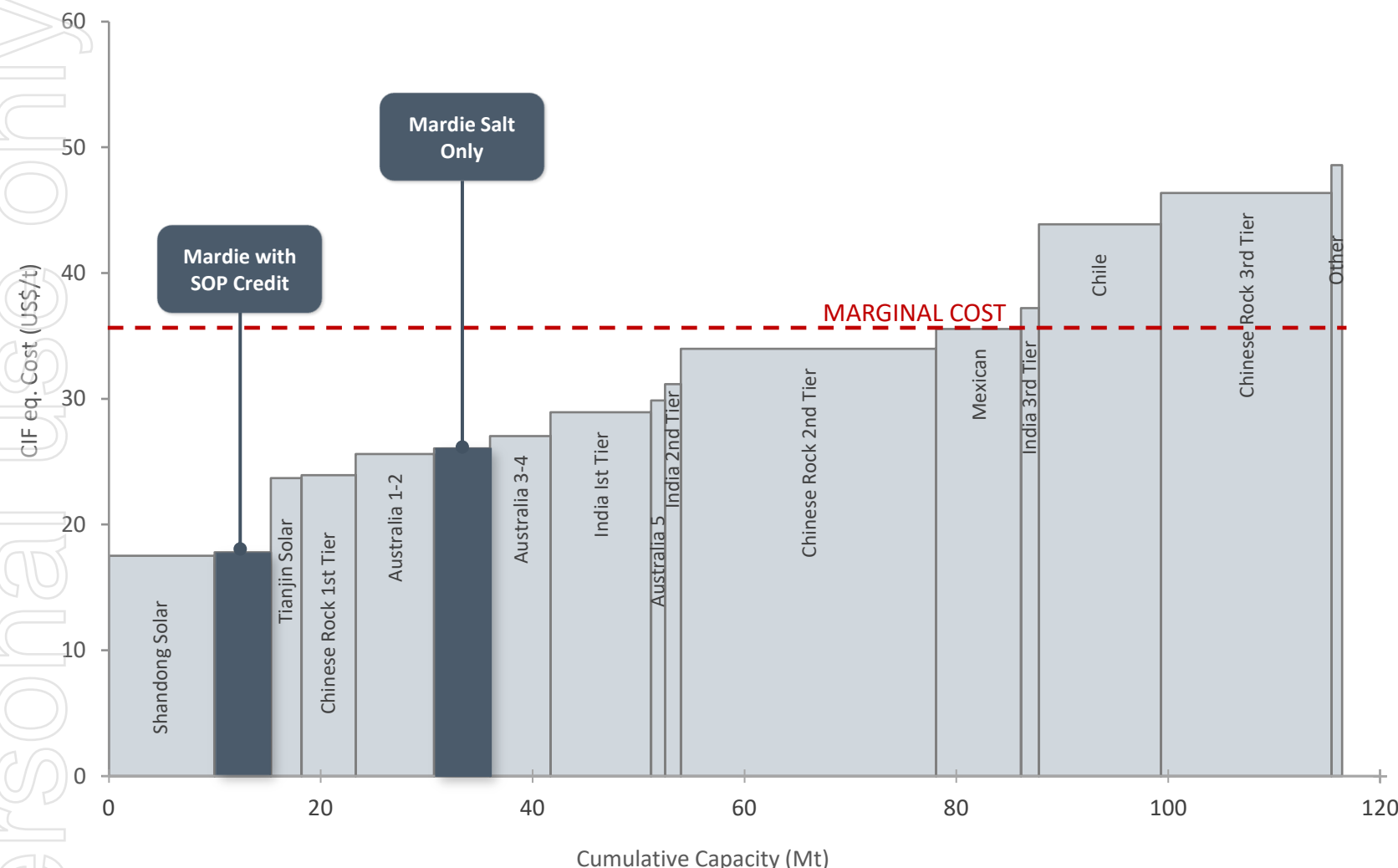
- NPV₇: A\$1,670M
- EBITDA: A\$260Mpa (Salt 75%; SOP 25%)
- IRR: 16.1%
- 60-year Cumulative Cashflow: >A\$14B

¹With upside based on an inexhaustible seawater resource ²All-in sustaining opex ³Roskill (December 2020) price forecast less Braemar (June 2020) freight forecast ⁴FX: 0.70

⁵Argus (November 2020) price forecast ⁶Pre-tax, ungeared, real

Salt Cost Curve – Contestable Market

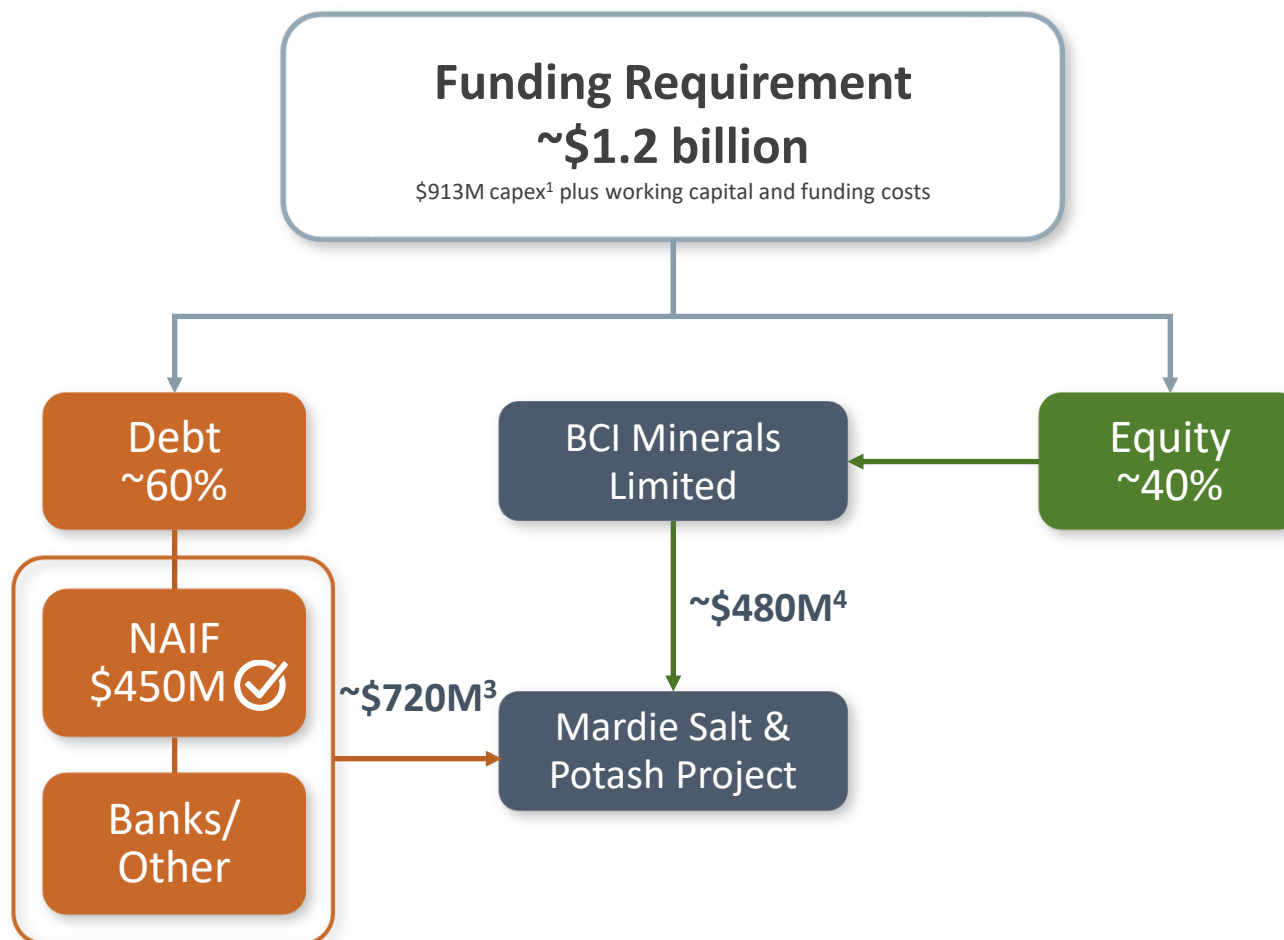
Mardie will be a low-cost supplier of salt into contestable¹ Asian market



- Mardie will be cost competitive with all Australian salt operations²
- When SOP margin treated as a by-product credit, Mardie becomes one of the lowest cost salt producers
- Mexican solar salt and Chinese rock salt the marginal cost suppliers to most Asian markets (~US\$35/t)

Funding Strategy Advanced

NAIF loan approved; positive engagement with banks



- **NAIF²:** Positive Investment Decision for \$450M loan over 15 years

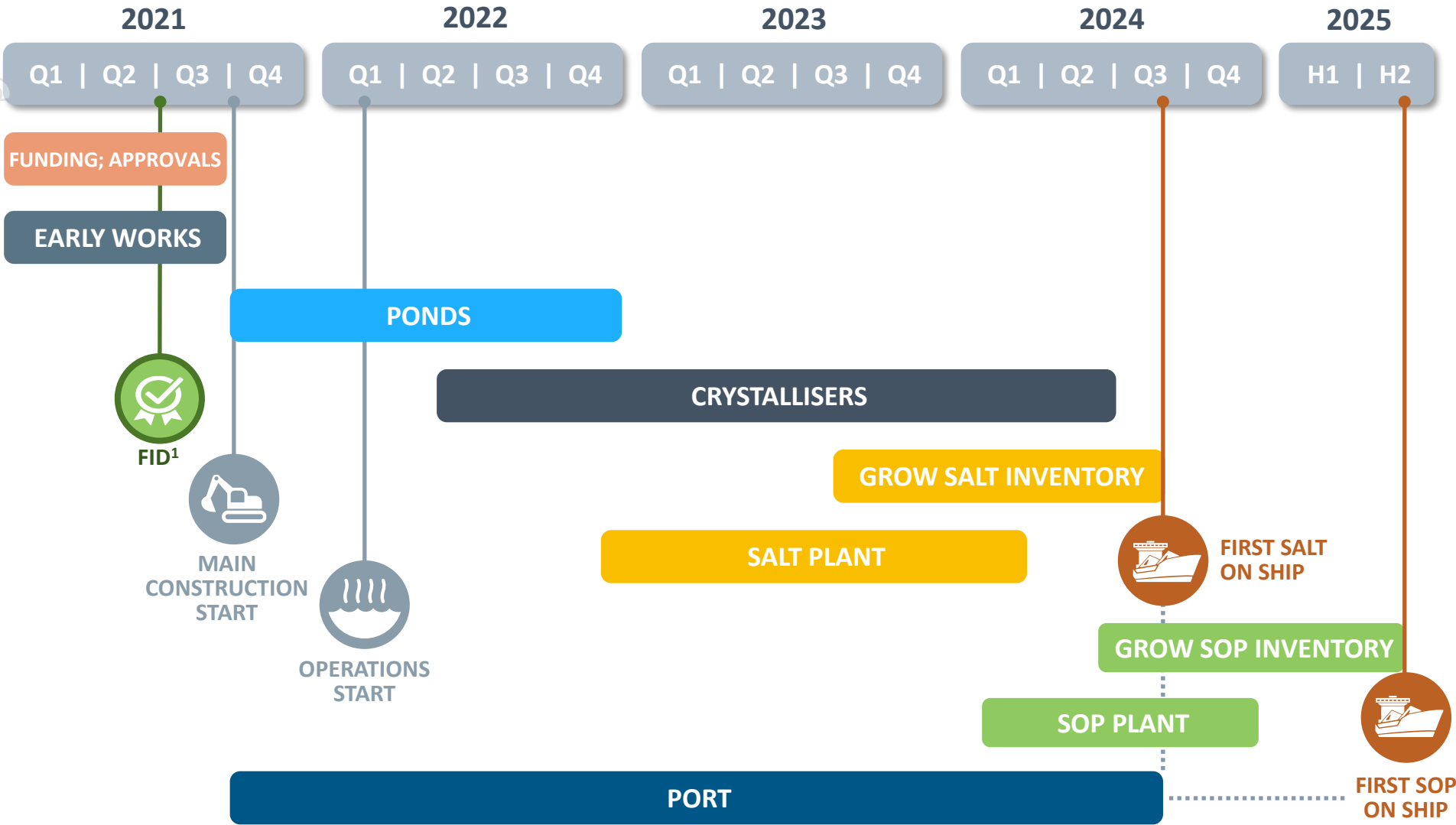
- **Banks/Other:** Positive progress with Australian and international banks, and other lenders

- Target minimum \$180M⁵ from existing cash & Iron Valley earnings during construction period
- Target maximum \$300M from new capital over 18 months from equity and corporate facilities

¹Real 2021\$ estimate ²Northern Australia Infrastructure Facility ³Excluding bank guarantees and cost overrun facilities

⁴BCI equity contributions from cash, earnings and new capital ⁵Total contribution subject to future earnings performance of Iron Valley

Project Schedule

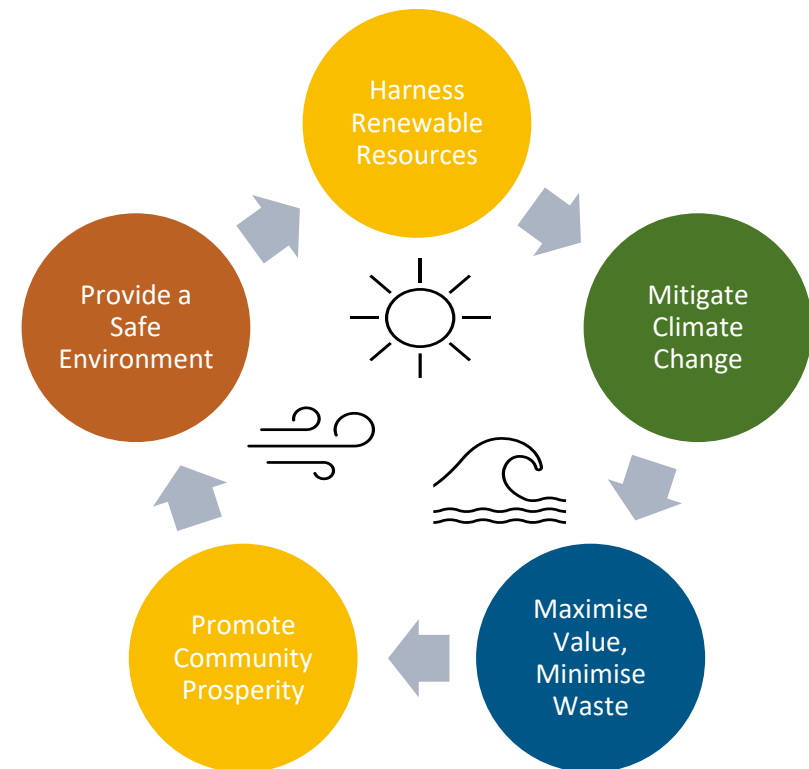


¹Final Investment Decision

Sustainability Focus

Inexhaustible resources, natural energy and waste minimization

- 100+ year project life
- Seawater feedstock; no resource depletion
- Zero landscape scarring - no mine pits, waste dumps or large-scale dewatering
- 99% of energy derived from solar and wind
- Strategy¹ to convert remaining 1% of energy requirement to >70% renewables within 5 years and net zero carbon within 10 years
- Australian first to produce SOP fertilizer from seawater using waste from salt circuit
- Additional future by-product potential from waste



Stakeholder Benefits

A multigenerational project benefiting multiple stakeholders

BENEFITS TO WA & AUSTRALIA¹

- Corporate taxes: >\$8Bn
- State royalties: >\$800M
- Native title payments >\$200M
- Gross Regional Product estimate: >\$2.7Bn²
- New port facility allows 3rd party access (e.g. iron ore)



COMMUNITY & HERITAGE

- Established Karratha office
- 500 construction jobs and 220 ongoing operating jobs
- Prioritised local and indigenous contracting
- Ongoing free and prior heritage consent principle prior to ground disturbance

Why Invest in BCI?

Strong Iron Valley earnings and significant Mardie upside potential

CURRENT VALUATION

- Low enterprise value of ~\$245M
- Record Iron Valley royalties
- ~\$80M cash; no debt



MARDIE POTENTIAL

- Salt & SOP growth markets
- Tier 1 – sustainable, large scale, low cost & long life
- ~\$260M/a EBITDA for 100 years¹



¹Subject to Mining and Port Leases being extended

BCI Board of Directors



Brian O'Donnell
NON-EXECUTIVE CHAIRMAN



- Banking and investment background
- Director, Finance and Investments - Australian Capital Equity (ACE)
- Numerous current and previous board positions on ASX-listed and private companies

Alwyn Vorster
MANAGING DIRECTOR



- Geology, Mining and MBA degrees
- Kumba; Rio Tinto; Iron Ore Holdings
- Geology; Mining; Marketing, Business Development and various CEO roles

Michael Blakiston
NON-EXECUTIVE DIRECTOR



- Legal and mining business background
- Partner in Gilbert + Tobin's Energy + Resources group
- Chair BCI Audit & Risk Cmte and Chair BCI Equity Cmte

Jennifer Bloom
NON-EXECUTIVE DIRECTOR



- Governance, approvals and business background
- Senior positions in both the private and public sector
- Chair of BCI Rem & Nom Cmte

Richard Court
NON-EXECUTIVE DIRECTOR



- Commercial & Political background
- Former Ambassador to Japan; Premier and Treasurer of Western Australia
- Former Chair of GRD Minproc, Chair of Iron Ore Holdings, Chair of National Hire

Garret Dixon
NON-EXECUTIVE DIRECTOR



- Civil engineering background
- Senior contracting roles (HWE; Mitchell Corp; Watpac - NED)
- Executive Vice Pres - Alcoa Corp
- Chair of BCI Project Review Cmte

Chris Salisbury
NON-EXECUTIVE DIRECTOR



- Numerous top level operational and strategic roles in Rio Tinto (30-years)
- Rio Tinto Chief Executive – Iron Ore including responsibility for Rio's salt business
- Chair of BCI Sustainability Cmte

Susan Park
COMPANY SECRETARY



- Commerce and accounting background
- 25 years experience in the corporate finance industry
- Extensive experience in Company Secretarial roles

ADVISORS:

Shaun Triner – Project Review Committee

- Ex Rio Tinto Dampier Salt Ltd – 25+ years salt operational and marketing experience

BCI Executive Team / Key Personnel



Alwyn Vorster
MANAGING DIRECTOR



- Geology, Mining and MBA degrees
- Kumba; Rio Tinto; Iron Ore Holdings
- Geology; Mining; Marketing; Feasibilities; Corporate Development

Sam Bennett
PROJECT DIRECTOR



- Civil engineering degree
- Fortescue; Roy Hill; WSP
- Construction

Stephanie Majteles
GENERAL COUNSEL



- Law degree
- Freehills; Rio Tinto
- Tenure; Approvals; Corporate

Simon Hodge
CHIEF FINANCIAL OFFICER



- Finance degree
- JP Morgan; Poynton; Quickflix
- Corporate finance; Investment banking

Jim Cooper
GENERAL MANAGER OPERATIONS



- Management Diplomas
- GM Dampier Salt (Rio Tinto); GM Hope Downs (Rio Tinto); GM Boddington (Newmont)
- Operations; Salt Marketing; Health & Safety

Angela Glover
HEAD OF CORPORATE AFFAIRS



- Metallurgy degree
- BBI Group, Atlas, Alcan Gove
- Heritage; approvals, License to Operate; Government relations
- Based in Karratha

Colyn Louw
HEAD OF PEOPLE AND SERVICES



- Commerce and MBA degrees
- BHP; Roy Hill; Gold Fields
- People, health & safety through studies, construction and operations

DEVELOPMENT & OPERATIONS TEAMS:

Mark Forward (GM Landside)

- Ex Rio Tinto - Project Manager Processing and Infra.

Rob Ernst Jr. (GM Marine)

- Ex BBI Group – Manager of Port and Marine

Mary Walker (Contracts Manager)

- Ex Tier 1 contractor on \$1bn PPP project

Dale Ettridge (Manager Ops Readiness)

- Ex Rio Dampier Salt– Mine Mgr; Ops Readiness Mgr

Alan Perry – (Manager Projects)

- Ex Rio Dampier Salt – Regional Mine Manager

MARKETING TEAM:

Matthew Gurr (Manager)

- Ex Rio Tinto - Korea Manager

Takashi Kawada (East Asia – Singapore based)

- Ex Dampier Salt - GM Marketing

Kevin Yu (China – Beijing based)

- Ex Cliffs - China Country Manager; Rio Tinto

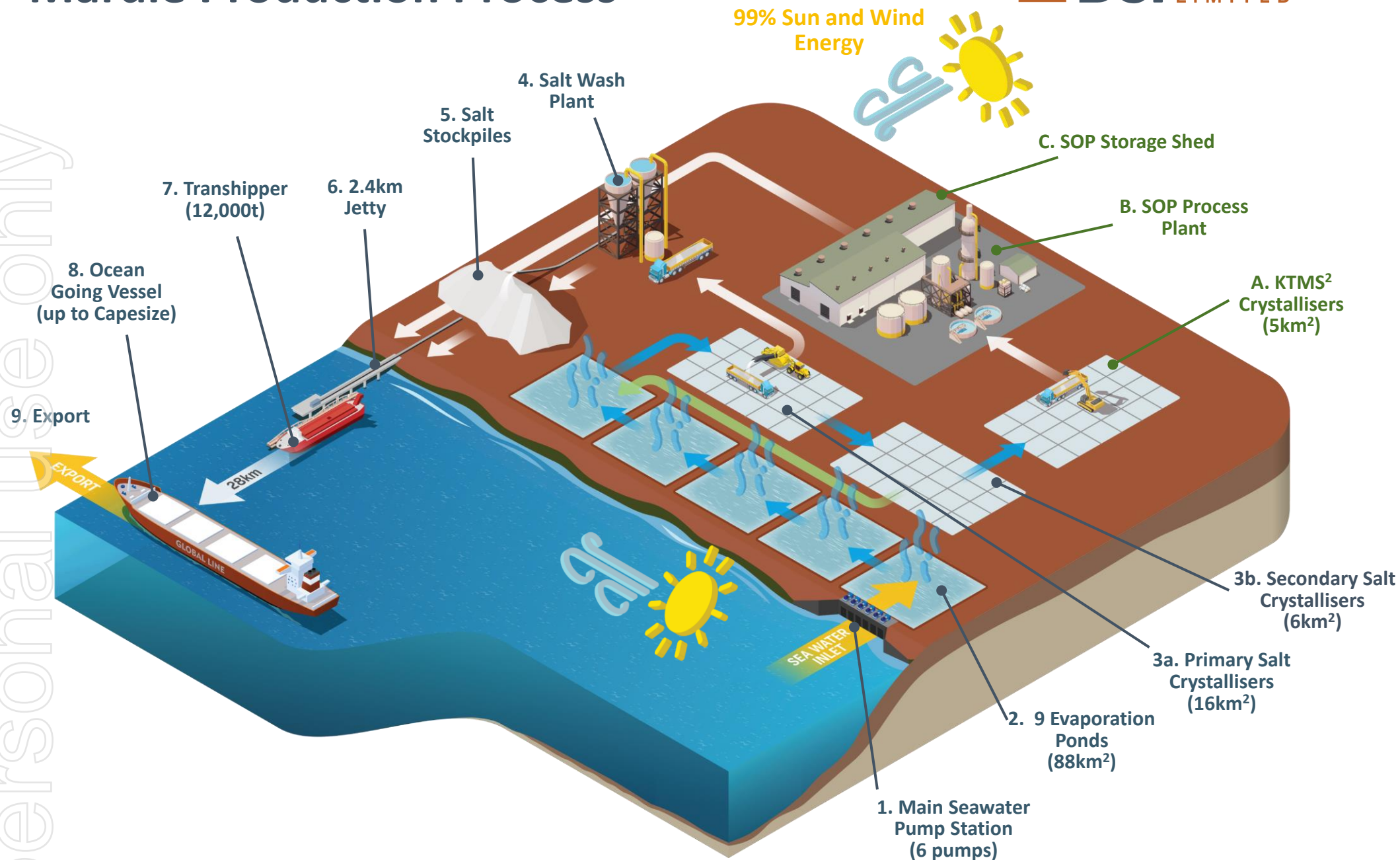
Trevor Larbey – Logistics

- Ex Rio Tinto Marine – 35 years shipping

INVESTOR RELATIONS TEAM:

Brad Milne; Rebecca Thompson;
Simon Tonkin

Mardie Production Process¹



¹Refer blue coloured labels for salt process and green for SOP process. SOP is exported in 10,000t parcels via the jetty, transhipper and onto ocean going vessels for export to customers ²Kainite Type Mixed Salt



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