

# Developing the Multi-Generational Mardie Salt & Potash Project

## Corporate Presentation

**Alwyn Vorster**  
Managing Director

# Important Notices



## **Not an Offer of Securities**

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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 unless otherwise disclosed in this Presentation.

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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 12 October 2021 "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

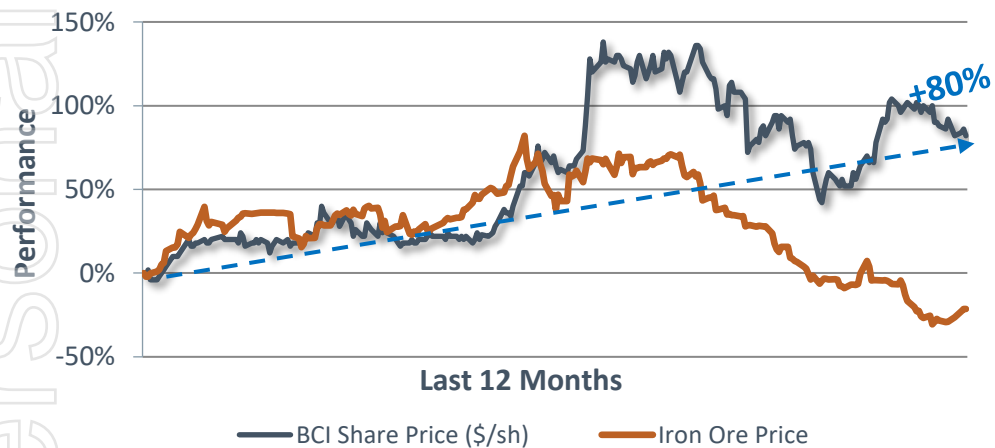
**MARDIE SALT & POTASH PROJECT**



**IRON VALLEY ROYALTIES**

~\$270M market cap<sup>1</sup>  
~\$106M cash and zero debt<sup>2</sup>

**BCI SHARE PRICE vs IRON ORE PRICE**



**BCI SHARE PRICE vs ASX 300**



<sup>1</sup>Based on 599.96M shares (pre-raise) at \$0.455 per share closing price as at 24 November 2021 <sup>2</sup>Cash balance at 16 November 2021

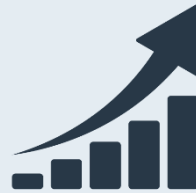
# BCI Results in Numbers

## FY21 GROUP FINANCIALS



**\$160.5M**  
REVENUE

108% ↑ on FY20



**\$28.9M**  
EBITDA

248% ↑ on FY20



**\$22.0M**  
NPAT

5,400% ↑ on FY20

## FY21 IRON VALLEY



**\$69.5M**  
EBITDA

202% ↑ on FY20

## 1Q FY22 IRON VALLEY



**\$17.1M**  
EBITDA

140% ↑ on 1Q FY21

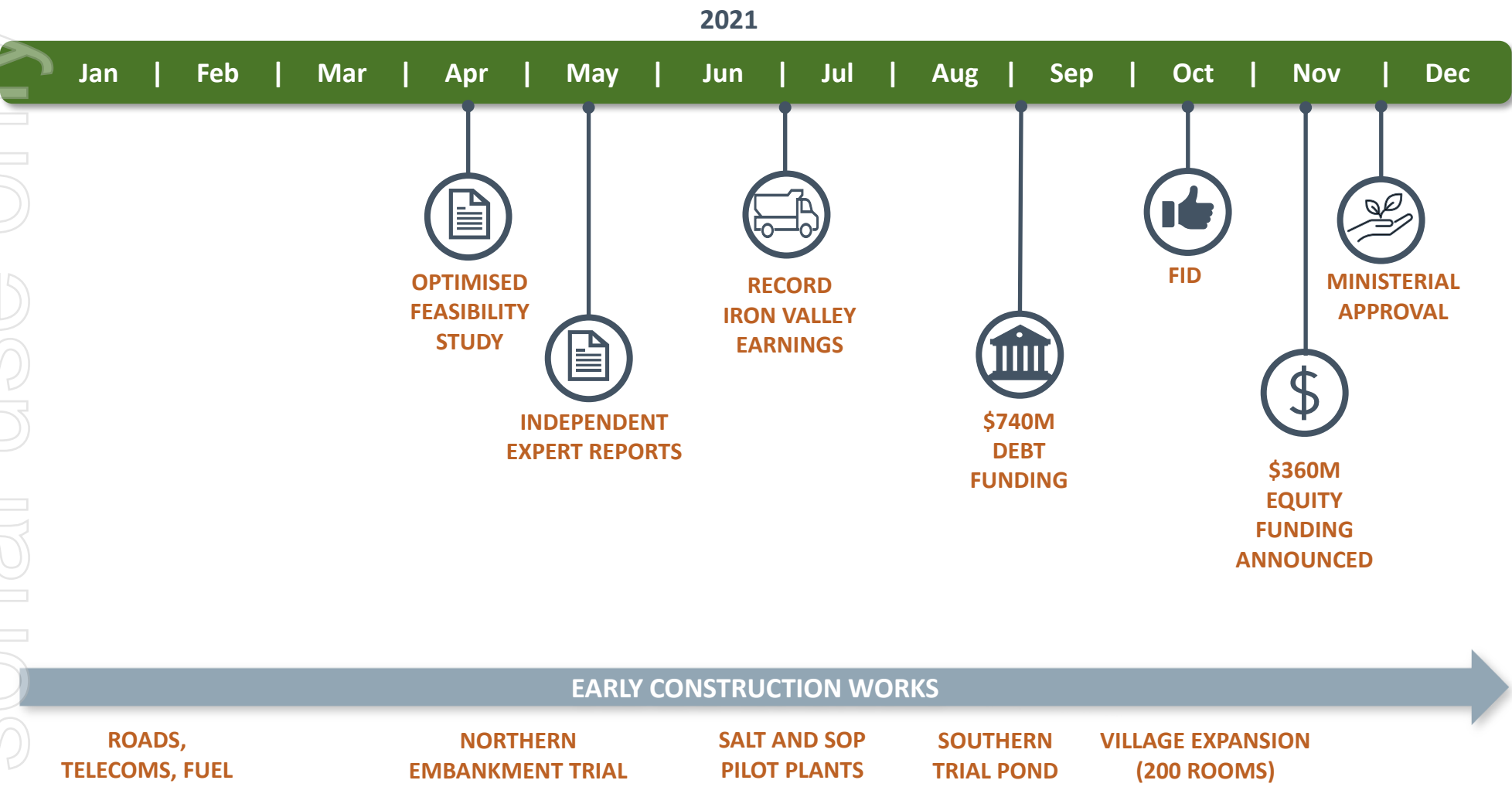
## HEALTH & SAFETY



**>6 Years**  
without Lost Time  
Injury (LTI)

# A Year of Milestones

## Mardie FID after significant project de-risking over several years







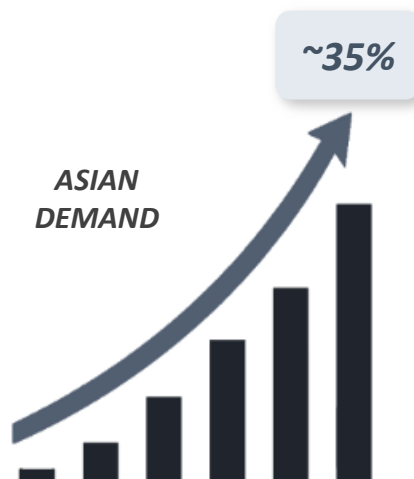
# Salt and Potash Markets

# Why Salt and SOP?

## Strong growth in Mardie's target markets

### SALT

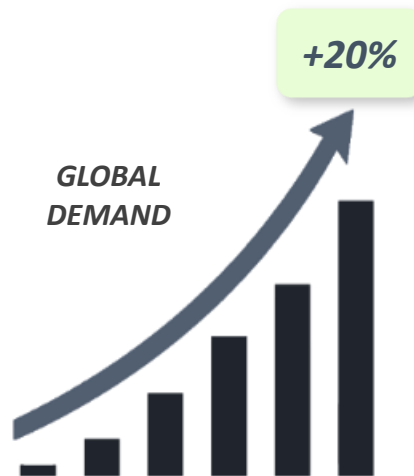
- >10,000 products derived from salt (PVC, alumina, glass, paper, water purification)
- Asian market size of 160Mtpa salt (annual value of US\$6.5B)



**>50Mt additional annual demand over next decade<sup>1</sup>** – (growing population, requiring more industrial and consumer products)

### SOP<sup>2</sup>

- Premium fertiliser used on high value crops
- Global market size of ~7Mtpa (annual value of US\$3.5B)



**~1Mt additional annual demand over next decade<sup>3</sup>** – (growing population, changing dietary habits and declining arable land)

<sup>1</sup> Asian forecast demand as reported by Roskill (July 2021); Forecast contestable Asian market demand growth of 29Mtpa by 2030

<sup>2</sup> Sulphate of Potash fertiliser ( $K_2SO_4$  or Potassium Sulphate) <sup>3</sup>Global demand as reported by Argus Consulting (July 2021)

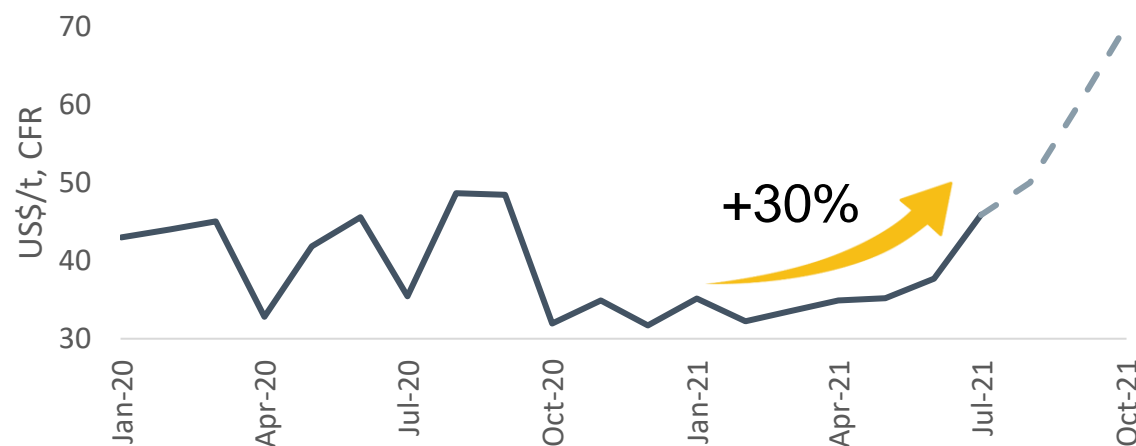
# Salt and SOP Price Strength

## Salt and SOP Prices driven by strong demand and limited new supply

### SALT

- 15-year pricing from ~US\$35/t to ~US\$75/t delivered<sup>1</sup> in Asia
- Delivered salt price in China has increased by ~30% in the first half of 2021<sup>1</sup>
- Mardie forecast (60-year average, \$ real): ~US\$50/t CFR<sup>3,5</sup>

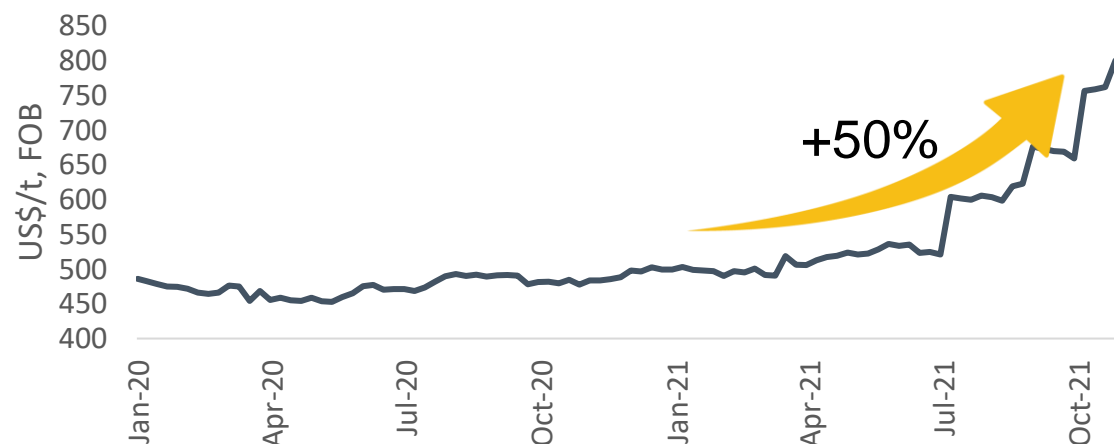
Australian Imported Salt into China<sup>1,2</sup>



### SOP

- 10-year pricing from ~US\$450/t to ~US\$800/t NW Europe (FOB)
- SOP (granular) price landed in Australia currently >US\$800/t CFR<sup>5</sup>
- Mardie forecast (60-year average, \$ real): US\$573/t FOB<sup>3</sup> (at least 20% lower than current price for standard granular)

SOP Price<sup>4</sup>







# Mardie Salt & Potash Project

# Australian Salt & SOP Landscape

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

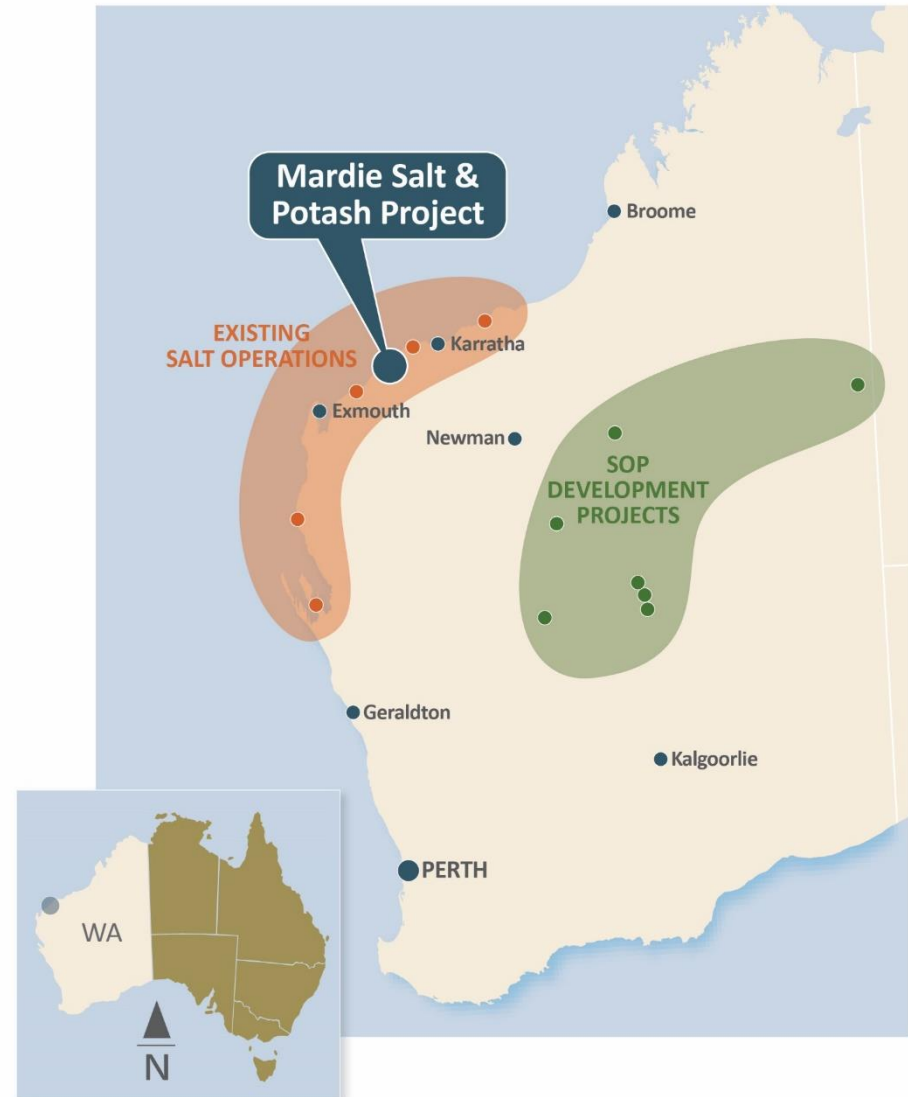
- Pilbara has ideal climate to produce high purity salt
  - High temperature, high wind, low rainfall, low humidity
  - Proven salt production region since the 1960's

- Five large WA **Solar Salt Operations** (11-13Mtpa<sup>1</sup>)
  - Controlled by Rio Tinto and Mitsui
  - No new large Australian salt project in 20 years

### SOP production in Australia in its infancy<sup>2</sup>:

- Other projects all based on inland lake brines and >700km by road transport to third party ports
- **Mardie Salt and SOP Project:**
  - Only Australian project with commercial salt and SOP from seawater

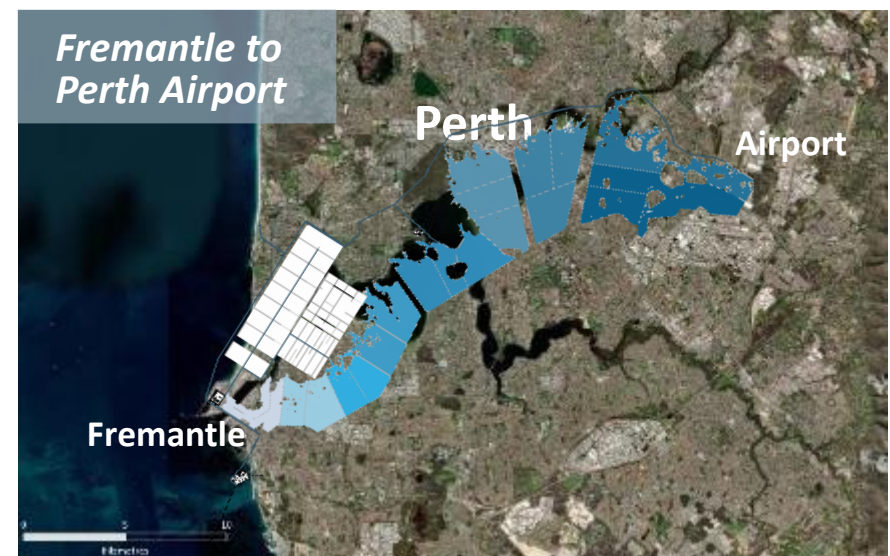
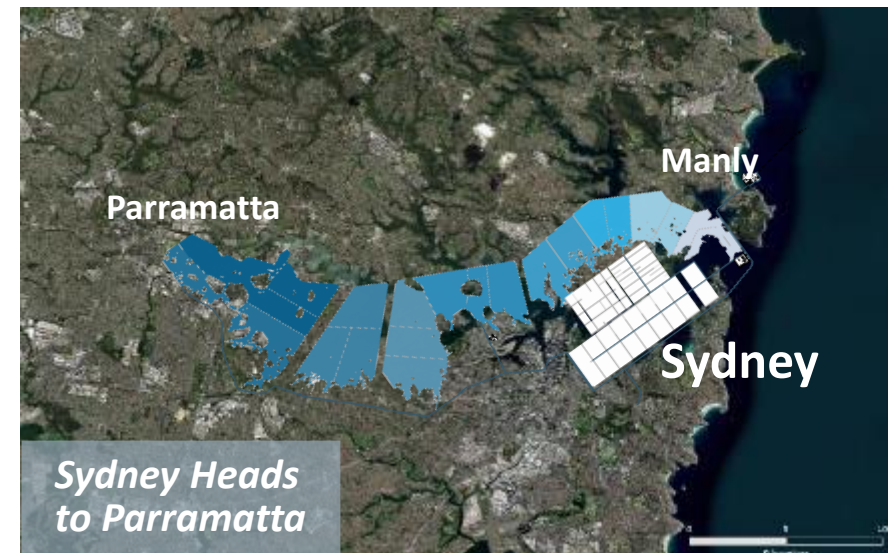
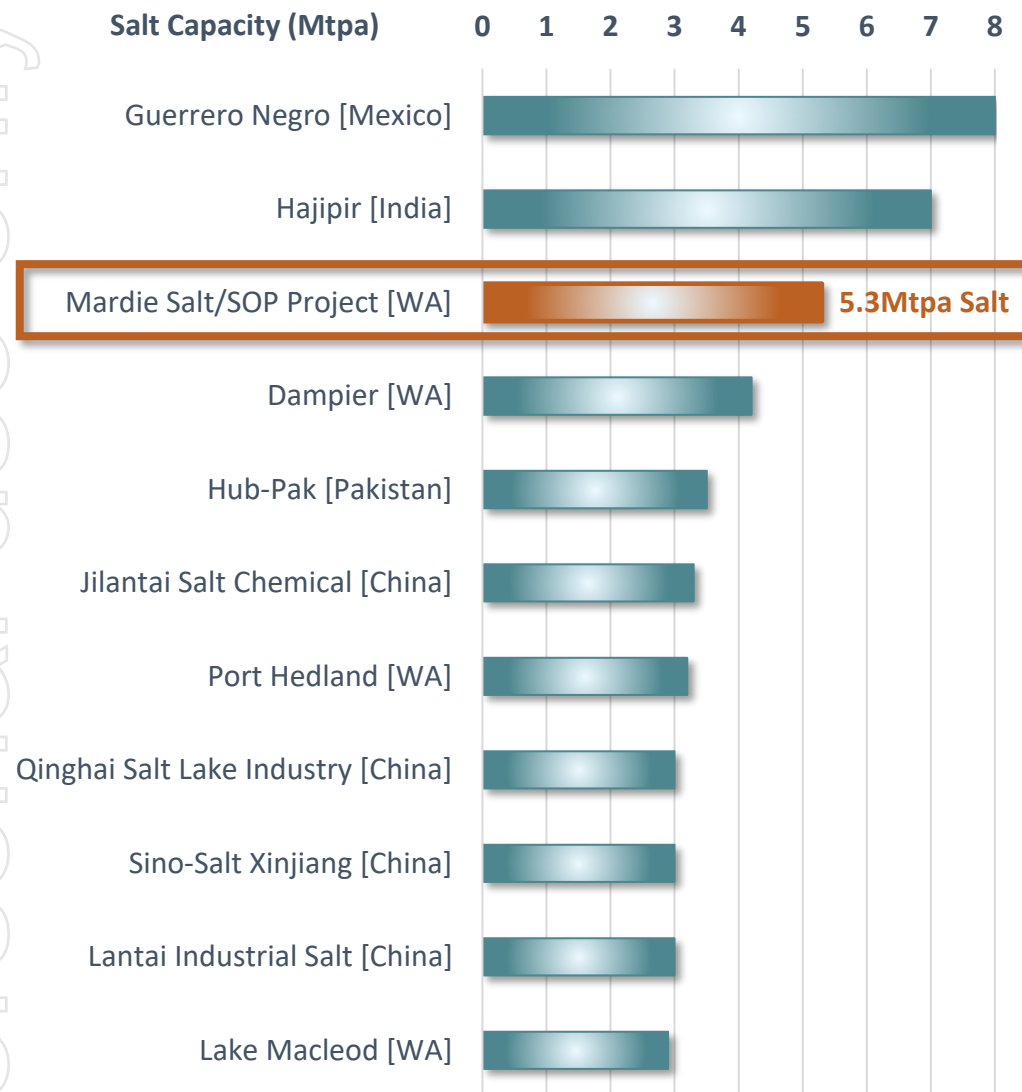
### Western Australia – Salt and SOP Projects



# Mardie Scale will be Globally Significant

## Top 3 scale global solar salt project<sup>1</sup>

### PROJECT FOOTPRINT VS SYDNEY/PERTH

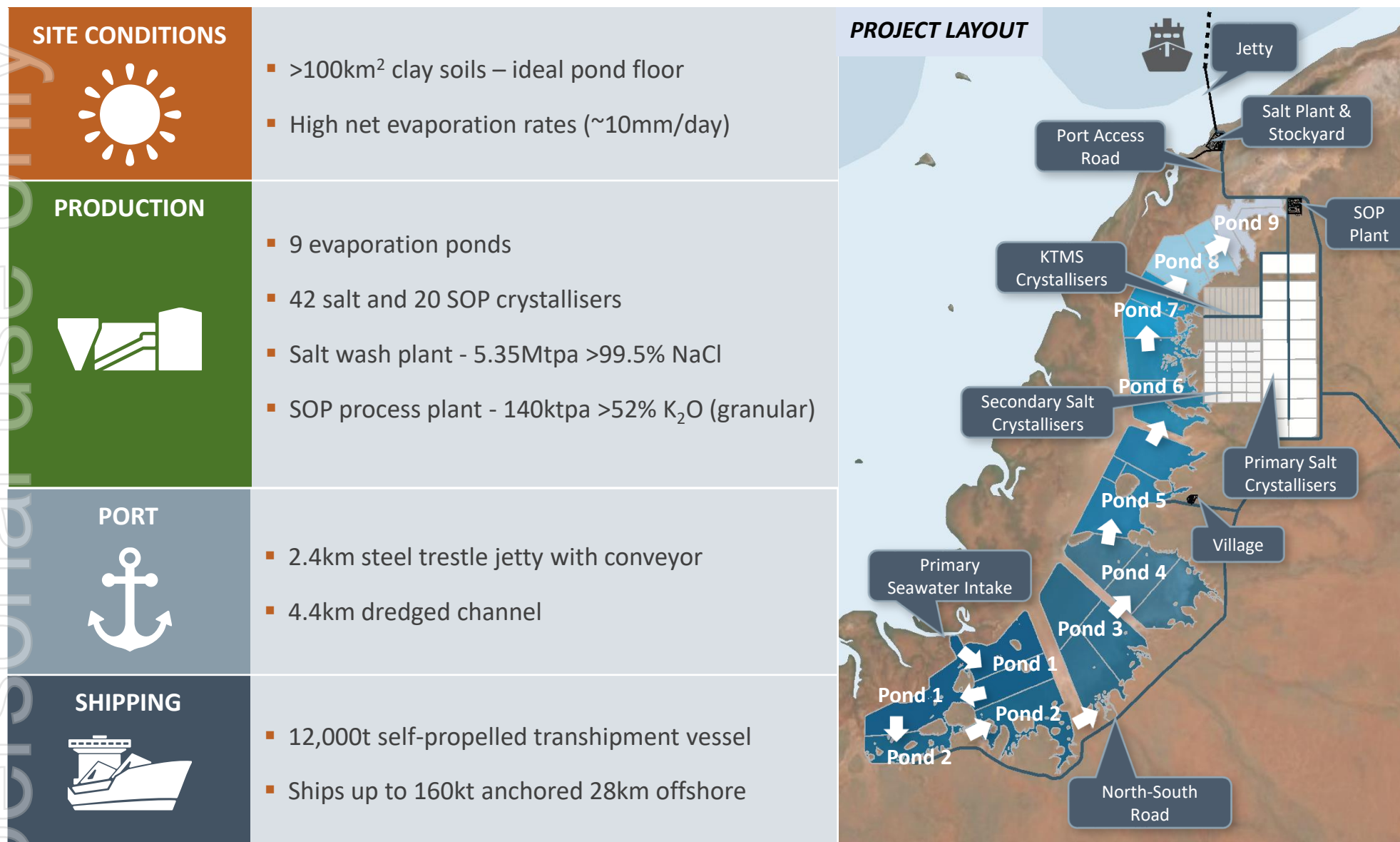


<sup>1</sup>Roskill (November 2020)



# Mardie Project Design

## Largest salt project in Australia – fully integrated with port



# Early Construction Progress

>\$60M of enabling construction works last 12-months to derisk Project



**NORTHERN EMBANKMENT TRIAL**



**ACCOMMODATION VILLAGE**



**SALT PILOT PLANT**

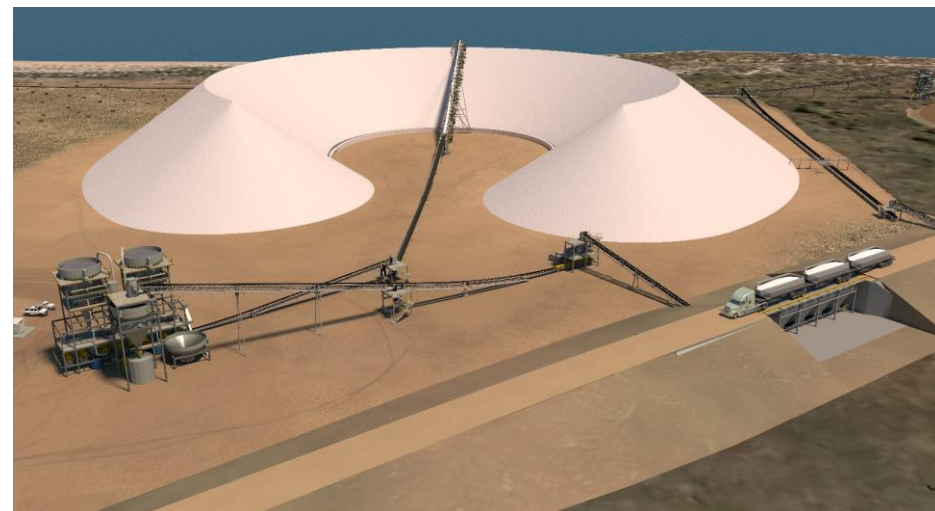


# >\$350M Contracts Tendered

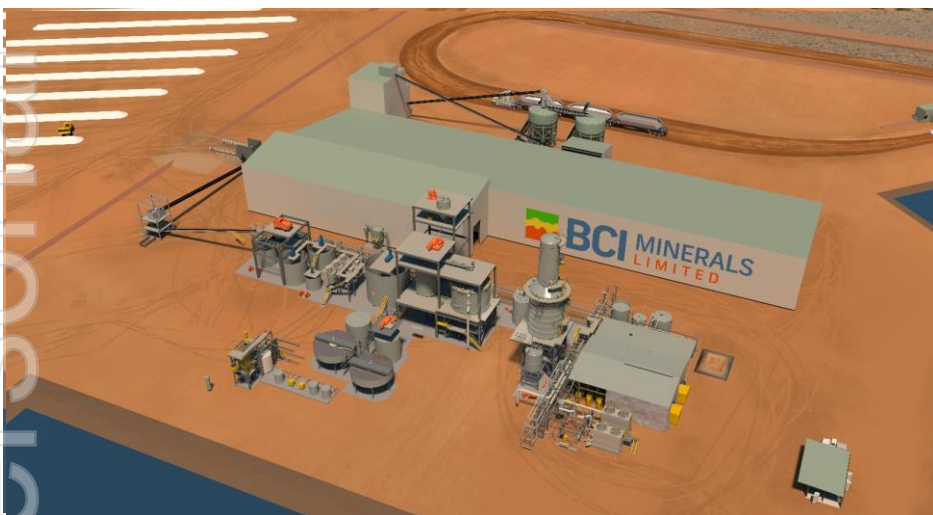
>60% of capital cost to be delivered via fixed price contracting model<sup>1</sup>



**1. MAIN SEAWATER PUMP STATION**



**2. SALT WASH PLANT**



**3. SOP PROCESS PLANT**



**4. PORT / TRANSHIPPER**

<sup>1</sup>Planned lump sum packages include those awarded under Engineering, Procurement and Construction (EPC), Design and Construct (D&C) contracts, which are subject to assumptions which may vary. Some packages have not completed a tender process, which may vary contractual features.

# Strong Financial Metrics

Annuity-style cash flow >60 years<sup>1</sup> with material upside

## CAPITAL COST (A\$954M real)

- A\$789M direct
- A\$165M indirect & contingency

## OPERATING COST (60 year average, real)

- Salt A\$21.50/t FOB<sup>2</sup>
- SOP A\$337/t FOB<sup>2</sup>

## PRICE (60 year average)

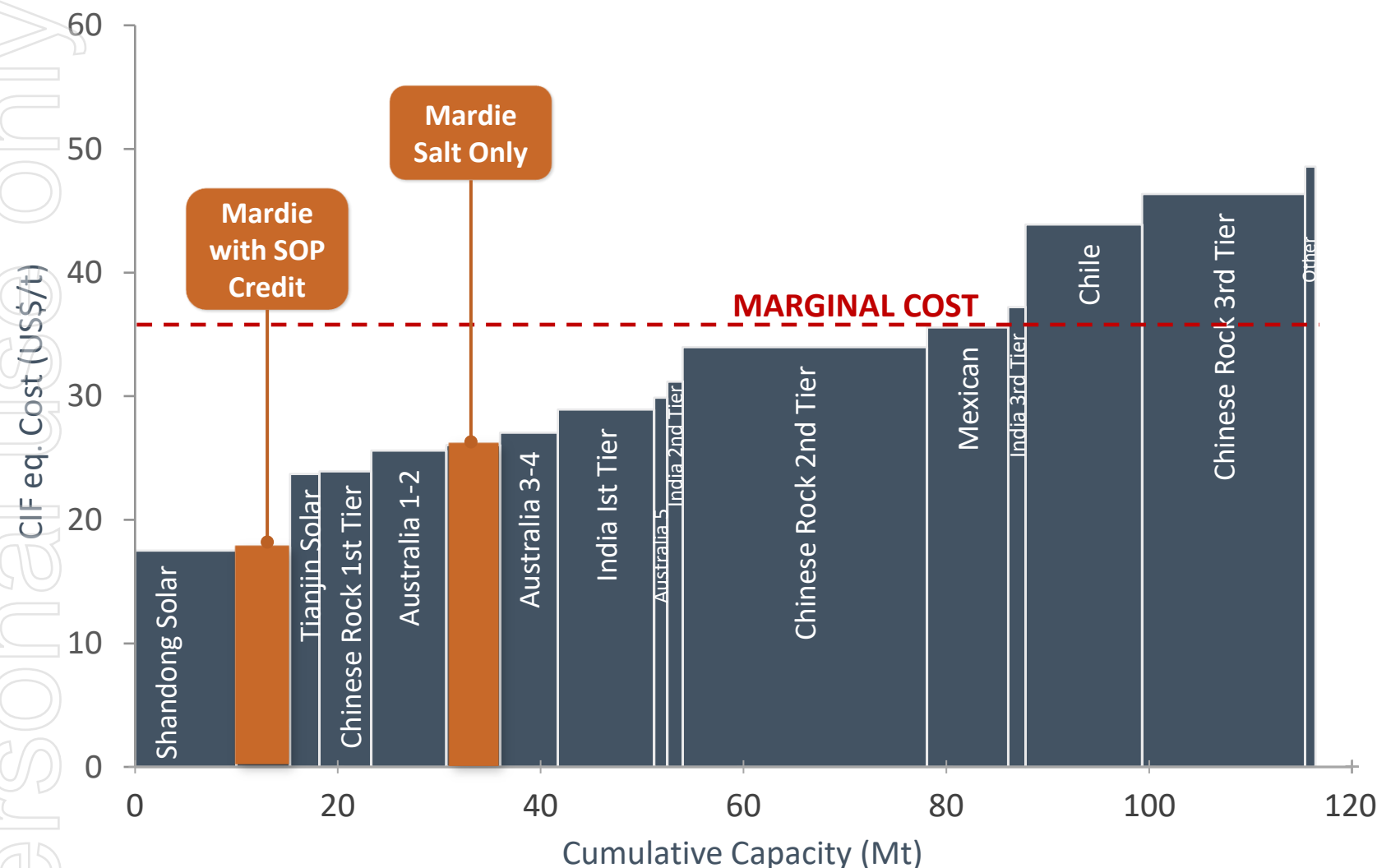
- Salt: US\$39/t FOB<sup>3</sup> (A\$55/t<sup>4</sup>) – ~60% margin
- SOP: US\$573/t FOB<sup>5</sup> (A\$819/t<sup>4</sup>) – ~60% margin

## FINANCIALS<sup>6</sup>

- NPV: A\$1,561M
- EBITDA: A\$256Mpa (Salt ~72%; SOP ~28%)
- IRR: 15.5%
- 60-year Cumulative Cashflow: >A\$13B

# Salt Cost Curve – Contestable Market

Mardie will be a low-cost supplier of salt into contestable<sup>1</sup> Asian market



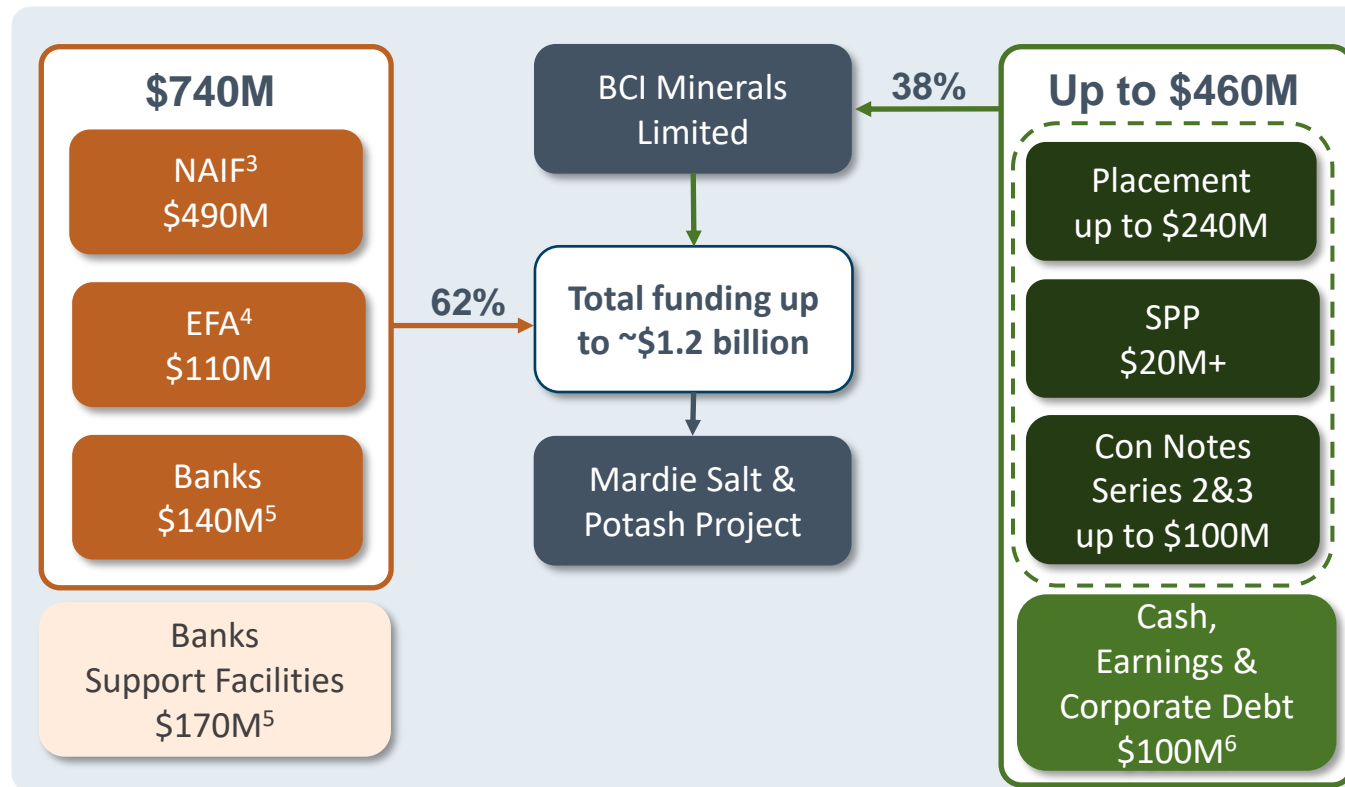
- Mexican solar salt and Chinese rock salt the marginal cost suppliers to most Asian markets (~US\$35/t)
- Mardie will be cost competitive with all Australian salt operations<sup>2</sup>
- When SOP margin treated as a by-product credit, Mardie becomes one of the lowest cost salt producers

# Funding for Development and Ramp-up

## Up to \$360M of new equity and Convertible Notes to be issued<sup>1</sup>

Forms part of BCI's \$460M total equity contribution to the Mardie Project, subject to shareholder approvals

Additional to the recently secured \$740M of Mardie Project debt<sup>2</sup>



# Positive Stakeholder & Approval Progress

## Native title agreements in place; Approvals and tenure advanced

### GOVERNMENT



- NAIF loan of \$490M approved<sup>1</sup> – largest in WA
- EFA loan of \$110M approved<sup>1</sup>
- Efficient WA Government facilitation across agencies

### ENVIRONMENT



- Ministerial Statement approving project implementation (DFS<sup>2</sup> footprint)
- Secondary approvals expected within statutory period
- Approvals for optimisation and expansion footprint during 2022

### NATIVE TITLE & HERITAGE

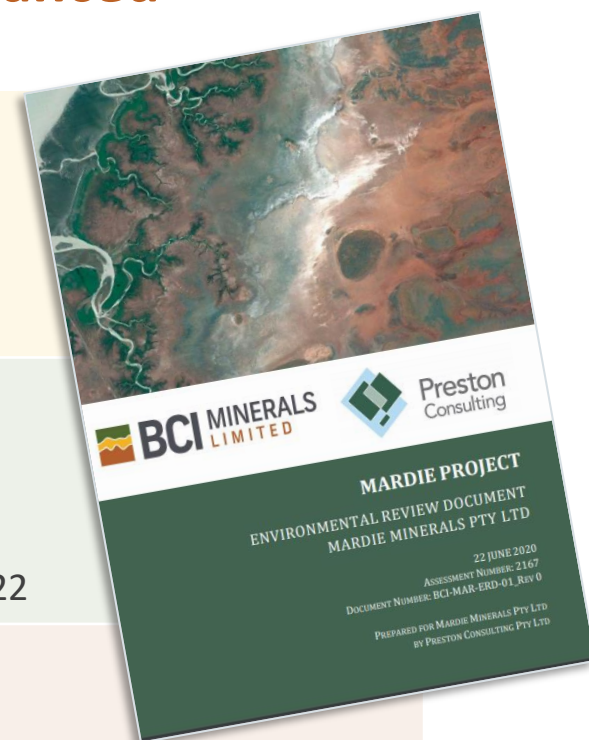


- Key Native Title agreements in place
- Port indigenous land use agreement (ILUA) finalised

### TENURE



- Pastoral Access Agreement executed
- Gas pipeline access agreements substantially progressed
- Port reserve creation underway; Port lease documents being negotiated with Pilbara Ports Authority (PPA)



<sup>1</sup>Refer to ASX Announcement dated 15 October 2021 titled '\$740M Mardie Project Debt Funding Secured'. <sup>2</sup>Definitive Feasibility Study (DFS)



# Sustainability Focus

## A multigenerational project with significant environmental and stakeholder benefits

### 5. PROVIDE A SAFE ENVIRONMENT

- More than 6-years LTI free workplace
- Well planned site accommodation supporting livability, security and mental health

### 4. PROMOTE COMMUNITY PROSPERITY

- Karratha office established; encourage regional living
- 500 construction jobs and 220 ongoing operating jobs
- Taxes & Royalties: >\$9Bn<sup>1</sup>
- Local and indigenous contracting prioritised

### 1. HARNESS RENEWABLE RESOURCES

- Inexhaustible seawater resource
- Hybrid power solutions

### 2. MITIGATE CLIMATE CHANGE

- 99% of energy derived from solar and wind

### 3. MAXIMISE VALUE, MINIMISE WASTE

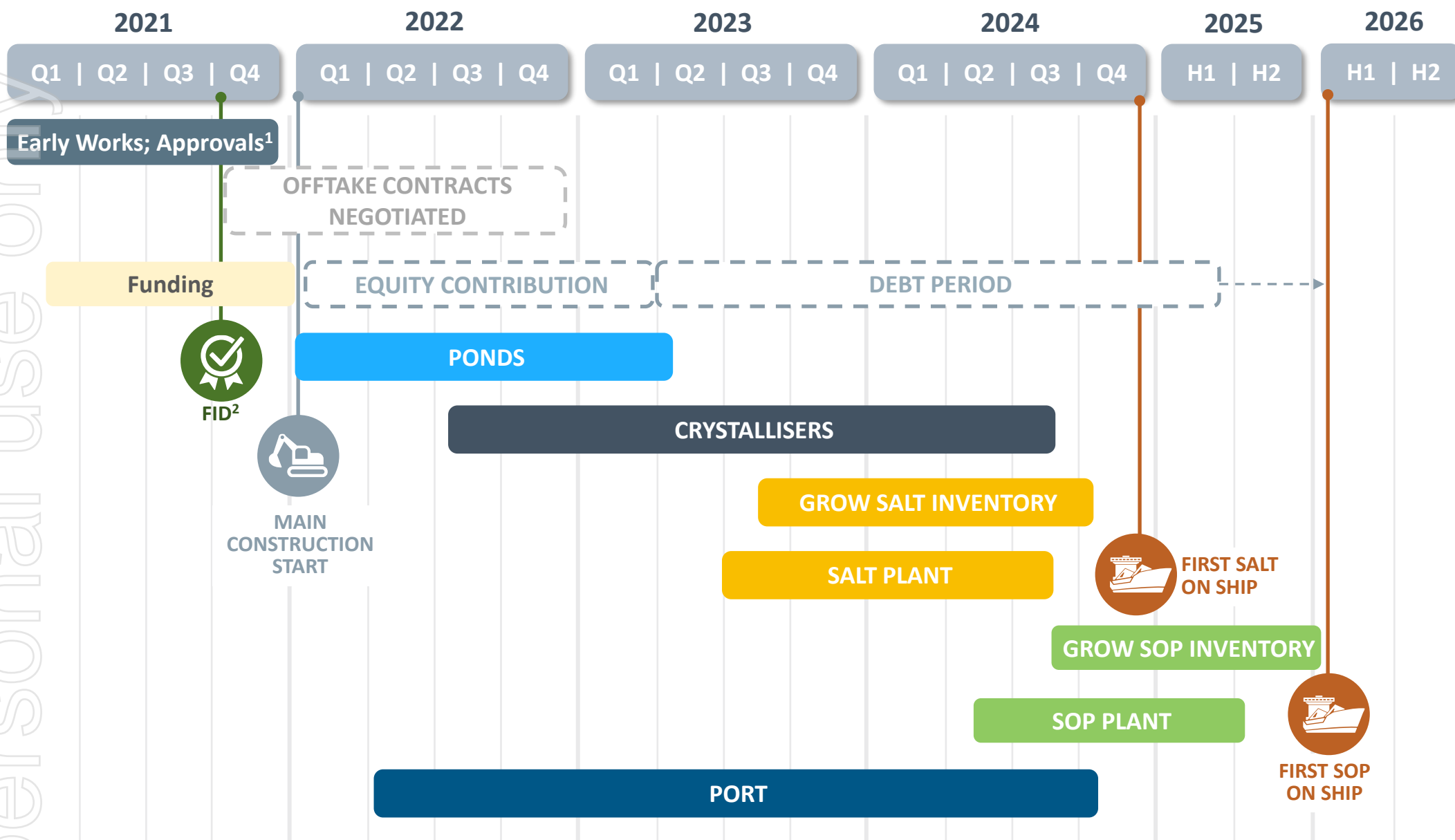
- Australian first to produce SOP fertiliser from seawater using salt circuit waste
- No landscape scarring, no mine pits, no waste dumps and no large-scale dewatering



<sup>1</sup> 60-year period based on OFS – refer ASX Announcement dated 21 April 2021 titled 'Mardie Optimisation Results: Increased Production and Improved Economics'

<sup>2</sup> KPMG Energy Report (March 2020)

# Indicative Project Schedule



<sup>1</sup>Based on plans as outlined in Definitive Feasibility Study, Optimised Feasibility Study approvals during 2022; <sup>2</sup>Final Investment Decision

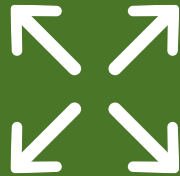
# Mardie will become a Tier 1 Project

## Large scale, low cost and long operating life



### ROBUST MARKETS; QUALITY PRODUCTS

- High purity salt (>99.5% NaCl)
- Premium SOP fertiliser (>52% K<sub>2</sub>O)
- Strong growth in Asian salt and global SOP markets
- Robust Salt & SOP price increases during 2021



### LARGE SCALE, MULTI-GENERATIONAL

- Largest Australian salt project
- 3rd largest globally
- 60+ year life<sup>2</sup>
- Expansion potential



### SUSTAINABLE

- 60+ year life<sup>2</sup>
- Seawater is an inexhaustible resource
- 99% of energy from wind and sun<sup>3</sup>
- Secondary processing of waste brines to produce SOP



### LOW COST; STRONG CASHFLOWS

- Lowest quartile salt operating cost (incl. SOP credits)
- Ability to ship large vessels provides cost advantage
- ~\$13Bn cashflow<sup>4</sup> over 60 years<sup>2</sup>
- Long term annuity of ~\$250Mpa EBITDA



### STRONG STAKEHOLDER SUPPORT

- \$360M successful capital raising
- Strong support from cornerstone investors Wroxby, AustralianSuper and Ryder
- \$600M Government funding via NAIF, EFA<sup>1</sup>
- \$310M Green Commercial Facilities

# Why Invest in BCI?

## Steady Capital Growth; Significant Mardie upside potential

160% return on investment since November 2019

BCI SHARE PRICE (\$/sh)

Up  
160%<sup>1</sup>



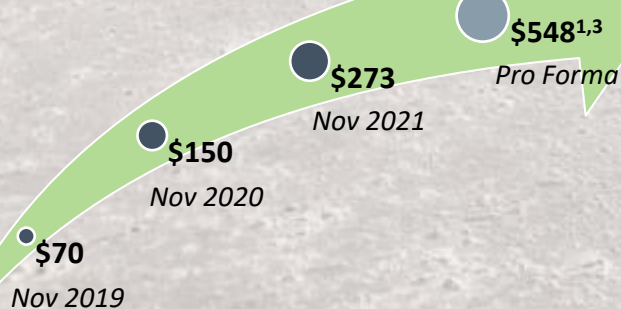
BCI CASH (\$M)

Up  
740%<sup>3</sup>



BCI MARKET CAP (\$M)

Up  
680%<sup>3</sup>



Shareholder approval required for resolutions at the EGM on 20 December 2021



# Appendices



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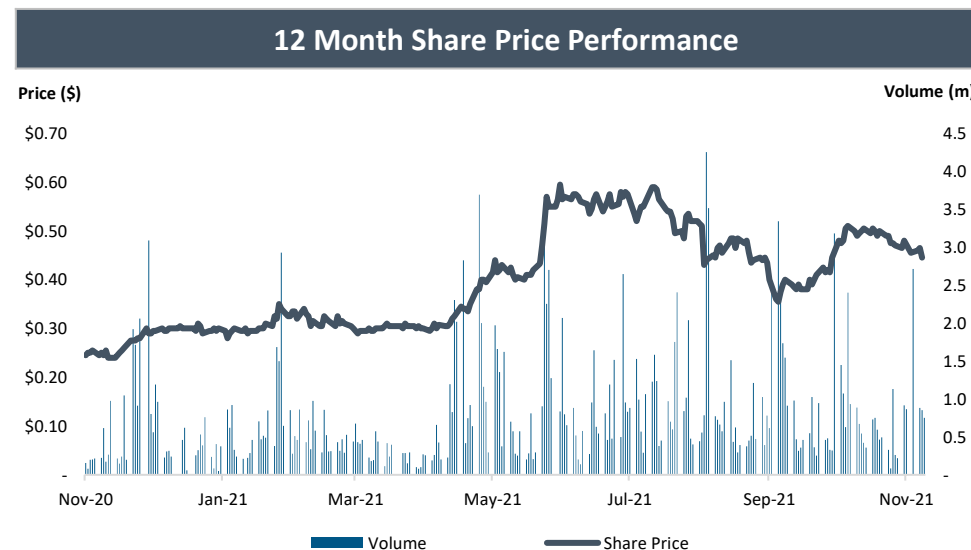
# Corporate Structure

## Strong Balance Sheet and Supportive Shareholders

Capital Structure (Pre-raise)	
Shares on Issue	599.96M
Share Price (24 Nov-2021)	\$0.455
6-month liquidity (24 Nov-2021)	\$59.5M
<b>Market Capitalisation<sup>1</sup></b>	<b>\$273.0M</b>
Cash at Bank (16-Nov-21)	\$106.2M
Debt (16-Nov-21)	Nil
<b>Enterprise Value</b>	<b>\$166.8M</b>

Top Shareholders (Pre-raise)	
Australian Capital Equity (Wroxby)	39.5%
Sandon Capital	6.0%
Ryder Capital Management	4.3%
Ryder Capital Limited	3.2%
Trojan Investment Management	3.1%
<b>Top 20 Shareholders</b>	<b>64.8%</b>
<b>Board &amp; Management</b>	<b>1.2%</b>
<b>Total number of shareholders</b>	<b>7,282</b>

Board of Directors <sup>2</sup>	
Brian O'Donnell	Non-Executive Chairman
Alwyn Vorster	Managing Director
Michael Blakiston	Non-Executive Director
Jennifer Bloom	Non-Executive Director
Richard Court	Non-Executive Director
Garret Dixon	Non-Executive Director
Chris Salisbury	Non-Executive Director



<sup>1</sup>Based on 599.96M shares (pre-raise) <sup>2</sup>Refer pages 27 and 28 for Director and Management Team credentials

# Funding Provided By Iron Valley Royalty

## Royalty payments provide funding support for Mardie construction

- Quarterly royalty earnings from operating agreement with Mineral Resources Ltd (ASX: MIN)
- Iron Valley royalty earnings forecast to provide additional funding to first Project debt drawdown 1H 2023
- 68Mt Reserves<sup>1</sup>; Potential mine life of ~10 years
- Since first production in 2014:
  - BCI received revenue: \$490M
  - BCI received EBITDA: \$170M
  - Average 6.4Mtpa shipped
  - 55% lump ore; 59% Fe average
- Record BCI EBITDA of \$69.5M in FY21; \$17.1M in Q1 FY22

IRON VALLEY MINE

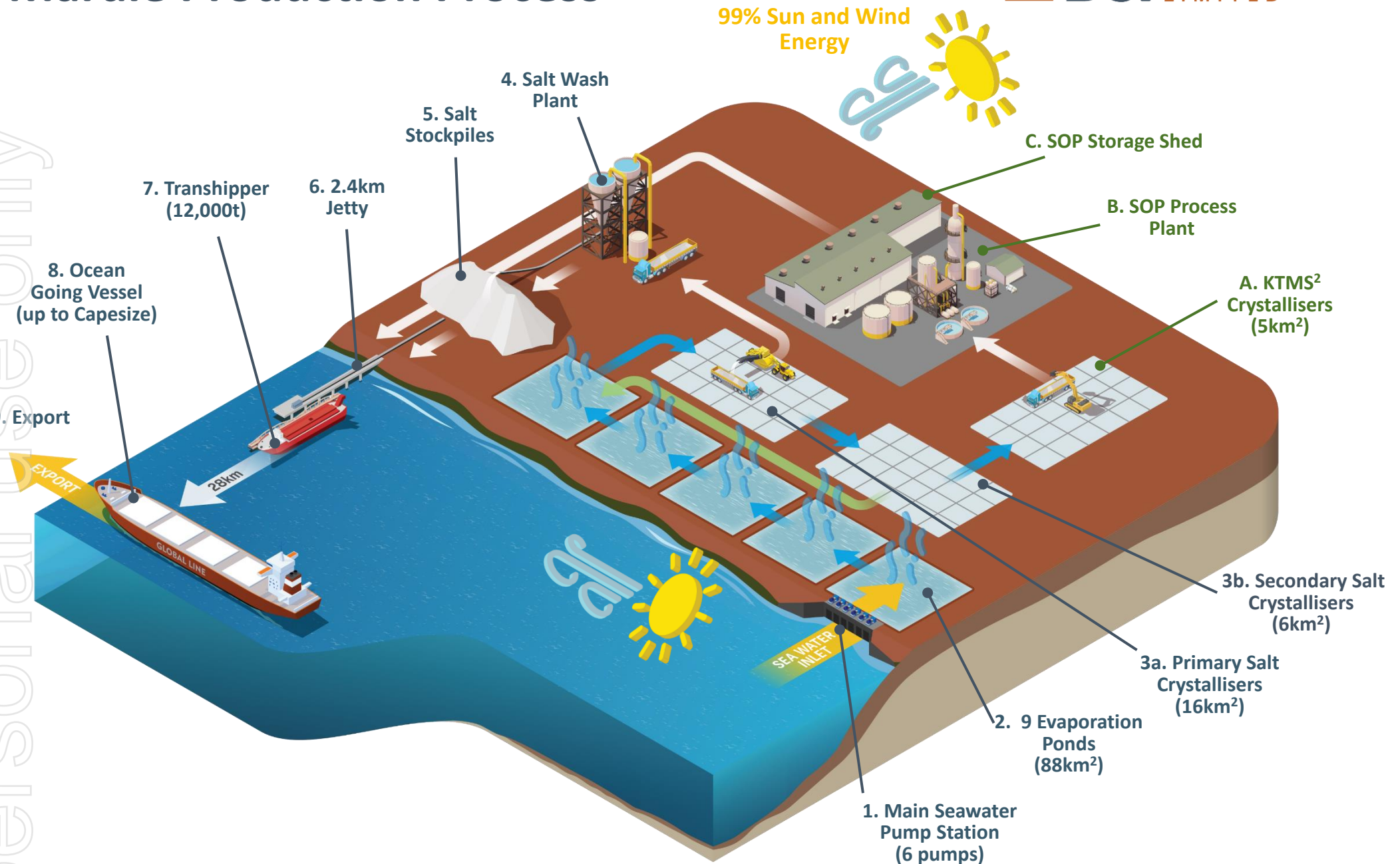


KEY IRON VALLEY PARAMETERS DETERMINING EBITDA TO BCI<sup>2</sup>

Annual EBITDA (A\$M)		Iron Ore Price (CFR 62% Fe, US\$/dmt)			
		80	100	120	140
Tonnes Shipped (Mt, wet)	5.0	5	11	20	37
	5.5	6	12	22	40
	6.0	6	13	24	44
	6.5	7	14	26	48
	7.0	7	15	28	51

<sup>1</sup>Refer BCI announcement dated 12 October 2021 "Iron Valley Mineral Resources and Ore Reserves" <sup>2</sup>Based on AUD:USD of 0.73, 23% product discount to CFR 62% Fe price (based on current pricing), freight rate of US\$20/dmt (based on current vessels and rates)

# Mardie Production Process<sup>1</sup>



<sup>1</sup>Refer 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 <sup>2</sup>Kainite Type Mixed Salt

# 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, Mineral Economics, MBA
- 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 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



# BCI Executive Team / Key Project 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/JOINT COMPANY SECRETARY



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

**Simon Hodge**  
CHIEF FINANCIAL OFFICER<sup>1</sup>



- 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, construction and operations

## DEVELOPMENT & OPERATIONS TEAMS:

### John Sofield (GM Project Engineering)

- Ex Fortescue Future Industries, BHP, Oz Minerals

### Xavier Coetzee (GM Project Commercial)

- Ex Roy Hill, Covalent Lithium – Procurement Management

### Rob Ernst Jr. (GM Marine)

- Ex BBI Group – Manager of Port and Marine

### Dale Ettridge (Manager Ops Readiness)

- Ex Rio/Dampier Salt – Mine Manager; Ops Readiness

### 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

<sup>1</sup>Simon Hodge becomes Head of Commercial in January 2022;  
Kerryl Bradshaw joins BCI as CFO in January 2022





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