



Project News

GR Engineering selected Lead Engineer for BCI Minerals' Mardie Salt & Potash Project Definitive Feasibility Study

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BCI Minerals Ltd. announced the appointment of GR Engineering Services Ltd. as the lead engineer for the Mardie Salt & Potash Project Definitive Feasibility Study (DFS). The Study is targeting completion of all designs and primary approvals for a 4 million tpa salt and 100.000 tpa sulphate of potash operation by late 2019, with a Final Investment Decision targeted by Q1 2020.



Storage of potash, Dead Sea Works,
Israel (Margarita Kapitulski ©
123RF.com)

As lead DFS engineer, GR Engineering will be responsible for coordination and integration of the process and engineering design packages for the ponds and crystallisers, salt plant, SOP plant and port facilities. GR Engineering will also prepare and verify the DFS level capital and operating cost estimates and will undertake the design and supervision of pre-FID (Final Investment Decision) site works and supporting infrastructure during 2019. This site works will include a 135-hectare trial pond, seawater intake pumps, approx. 20 km upgrade of access roads, initial accommodation camp and power generation. BCI Minerals Ltd.

(ASX:BCI) is rapidly advancing its 100% owned Mardie Salt & Potash Project, located on the West Pilbara coast in the center of Australia's key salt production region. Following a positive Pre-Feasibility Study in 2018, the Definitive Feasibility Study underway is targeting completion of all designs and primary approvals for a 4 million tpa salt and 100.000 tpa sulphate of potash operation by late 2019. Selected early construction works on site infrastructure and a large-scale trial pond is planned during 2019, with a Final Investment Decision targeted by Q1 2020. GR Engineering is a reputable Perth-based engineering group with significant experience in study management, engineering design and construction of resource projects in Western Australia and globally, both as EPCM and EPC contractor. Members of the GR Engineering team nominated for this engagement have appropriate experience in salt operation and sulphate of potash study management. BCI's Managing Director, Alwyn Vorster, commented: "We are focused on delivering a high quality DFS that will place BCI in a strong position to reach a final investment decision by the first quarter of 2020. GR Engineering's technical ability and project management strengths will make them a valuable partner to BCI as Mardie is progressed towards full project construction." GR Engineering Managing Director, Geoff Jones, commented: "The Mardie Project is a unique development opportunity for BCI. GR Engineering is pleased to be involved with this high profile Western Australian project. We look forward to working closely with BCI to deliver high quality results in alignment with the planned schedule and cost." BCI's areas of focus in the period to 30 June 2019 include:

- Appointments of process design engineers (ponds, two plants and port);
- Geotechnical drilling program of pond, plant and port areas completed;
- Construction of small-scale trial evaporators completed;
- Port tenure negotiations with the Pilbara Port Authority (PPA);
- Environmental Review Document submitted to the Environmental Protection Authority (EPA);
- Construction of the 135-hectare trial pond and supporting facilities (camp, roads, power, pumps) commenced;
- Funding discussions with NAIF and other entities progressed;
- Product off-take potential developed; and
- Significant potential investor / financier briefings.

All activities until the final investment decision by Q1 2020 – estimated at AUD 25 million – will be funded from BCI's existing AUD 36 million cash and the ongoing quarterly royalties from Iron Valley.

About BCI Minerals

BCI Minerals Ltd. is an Australian-based resources company that is developing an industrial minerals business (initially comprising salt and potash) supported by iron ore royalty earnings and divestment proceeds. 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. BCI remains the tenement owner and the royalty earnings are based on realised sales prices of Iron Valley ore. BCI's EBITDA from Iron Valley was approx. AUD 18 million in FY17 and approx. AUD 6 million in FY18. A process for the divestment of BCI's iron ore and exploration portfolio commenced in 2H 2018. The first transaction completed in December 2018, with the sale of the Kumina iron ore tenements to MIN for total consideration of AUD 35 million cash, of which AUD 8 million is conditional on the commencement of mining. (Source: BCI Minerals Ltd.)