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FAR EAST CAPITAL
The Mining Investment Experts

Weekly Commentary

5 September 2026 *Chart comments updated on Friday's close* Analyst : Warwick Grigor

BCI seems to be "worth its salt" with sizeable production ramping up now

It was back to economics rather than politics last week. The markets were focusing in US growth in August which was stronger than expected, and its implications for the interest rate outlook. US bond rates reached a three year high of 4.8%. Gold corrected heavily mid week but had recovered well by Friday night, not being fearful of the interest rate outlook.

Our resources market was subdued, though the Sentiment Oscillator improved as more stocks moved out of downtrends.

Many stocks have spiked over the last month since the low of the six month bear, but on low volume. That doesn't leave much room for immediate moves higher without a period of consolidation around these levels.

Grigor Sentiment Oscillator	
Charts in Uptrend:	41% (38%)
Charts in Downtrend:	26% (30%)

BCI to Produce Essential Salt

While everyone likes to think that their product is critical as they seek to introduce supply desperation into the equation, I prefer to stick with the term "essential" as it is less dramatic.

Many metals and industrial minerals are essential, and none more so than salt. You may have forgotten the historic expression that goes back to sailing ships; "*is he worth his salt*"?

But beyond the dinner table, salt is an essential industrial mineral. Industrial salt is needed for the chlor-alkali process to produce chlorine, caustic soda (NaOH) and hydrogen. NaOH is needed for the refining of energy transition minerals that are, in turn, needed for batteries, EVs, data centres, renewables and grid infrastructure.

BCI Minerals (BCI) is developing a salt project on Australia's NW coast, up where Dampier Salt (RIO) has been a major producer for many decades. Focusing on Asia, BCI sees a substantial supply deficit of salt over the next decade. Demand is expected to grow by 37 Mtpa with new chemical plants in China, India and Indonesia building a combined 22 Mtpa new chemical plant capacity requiring an additional 20 Mtpa of salt. New supply growth is only scheduled to be 10 Mtpa, meaning a significant shortfall could be a looming problem.

The salt production process

Based on the Pilbara coastline, BCI's Mardie Project is all about evaporation of sea water over an 18 month time frame in a series of nine evaporation ponds followed by washing and final classification. Sea water grading 1.045% TDS (total dissolved solids) floods into the first pond and progressively concentrates to a 1.2% TDS level at which points it starts to crystallise.

Current status of the Mardie Project

The 5.3 Mtpa project is currently at full design scale production capacity now, but only in the early stage evaporative pods. It will take another 18-24 months ramp up to achieve design harvesting rates.

Capital expenditure to date has been about $1.5bn with a 2.4 km long jetty being a substantial item. A further $258m is needed for completion of the project. The Company has $438m of available liquidity with funding coming from a variety of sources. Government sources total $580m, $315m of equity was raised in 2024, and commercial borrowing makes up the balance. The first salt is expected to commence shipments in late 2026.

Alongside the industrial salt, Mardie will produce sulphate of potash (SOP), a high value fertiliser important in food production. SOP boosts yield in dry, nutrient-sensitive soils.

Favourable economics

At the target production rate of 5.3 Mtpa, BCI expects to earn EBITDA of $285m p.a. based on a cash operating margin of 60%. The market capitalisation is currently $1.6bn, being a multiple of 6-7x the EBITDA. It is a long life project with capital to be expensed over a 60 year life span.

BCI is using a long term average price for its product of about US$64/t, referencing Wood McKenzie research. That leads to a healthy margin on BCI's expected operating costs of US$22/t. More than 99% of the energy used in its process will come from solar and wind, so it is well insulated from energy price fluctuations.

Salt pricing and sources of demand

Salt is a relatively abundant commodity with production methods that include solar evaporation, rock salt mining, solution mining and vacuum evaporation.

BCI says that 62% of its anticipated production is already committed through binding offtake agreements .

The largest structural driver of the salt price is the demand from the chemical industry, particularly chlorine and caustic soda. Salt is the feedstock for these chemicals, which in turn go into PVC, chemicals, paper, water treatment and many other products.

Why did Straits Resources fail with its Yannarie Solar Salt Project in the 2000s?

The closest analogy to Mardie that I can think of was Yannarie, at Exmouth Gulf in WA., in the 2000s. Straits proposed a 10 Mtpa operation, but it shaved the vision back to 4 Mtpa. However, it eventually withdrew from the project in 2010, citing obstruction from a four year campaign by conservationist, fishing interests and local communities. What seemed like a good industrial idea at the time was cancelled by NIMBYs.

The Bottom Line

BCI is developing a major, long life industrial project of significance. Capital is high but funding seems to be in place with good government and customer support. Technical risk seems well understood, meaning the commissioning phase over the next couple of years should not be overly risky.

Long term the profitability of the project will be dependent upon general industrial and chemical demand but there are not any expectations of great volatility. If the world continues along the anticipated growth profile, demand for salt will rise accordingly. If anything, it looks boringly predictable.

There are natural barriers to entry for these type of projects. As an example, a significant land mass is required. Mardie's production chain extends for 38 km. It is working on being able to extend this position. The Strait's example above demonstrates that you have to get the environmental aspects under control, which BCI seems to have done.

BCI is not a company for speculators who want hot trading stocks. Rather, it provides entry into a long life, low risk extractive operation that could be well suited to less aggressive money e.g. superannuation funds. The current share price of 47¢ delivers a market capitalisation of $1.6bn.

Zinc Price Improvement is Good for Rumble

Last week the zinc price closed on a high, having risen to US$4,107/t on the LME. This is the highest price since June 2022. Perhaps the junior with the greatest leverage to the zinc price is Rumble Resources with its world class Earheedy Zinc Project in WA.

Disclosure: Interests associated with the author own shares in Rumble Resources.

Another Aguia Phosphate Project in Brazil

Digging back through the records, I saw that Aguia announced an initial inferred JORC Resource of 55 Mt at 6.42% P_2O_5 at the Lucena Phosphate Project in NE Brazil, on 8 April 2013. The company had drilled 49 core holes in 2011/12, and the calculations were done by SRK Consulting (Canada), who also designed a conceptual pit shell using a 3% cut-off grade.

The resource covers only a small portion of the project area, first discovered by the Brazilian Geological Survey in the 1970s. It is well serviced with infrastructure including roads, water, and energy and is located near fertiliser blenders and transport hubs including the Cabedelo port facilities, which can be accessed by 65 km of paved roads.

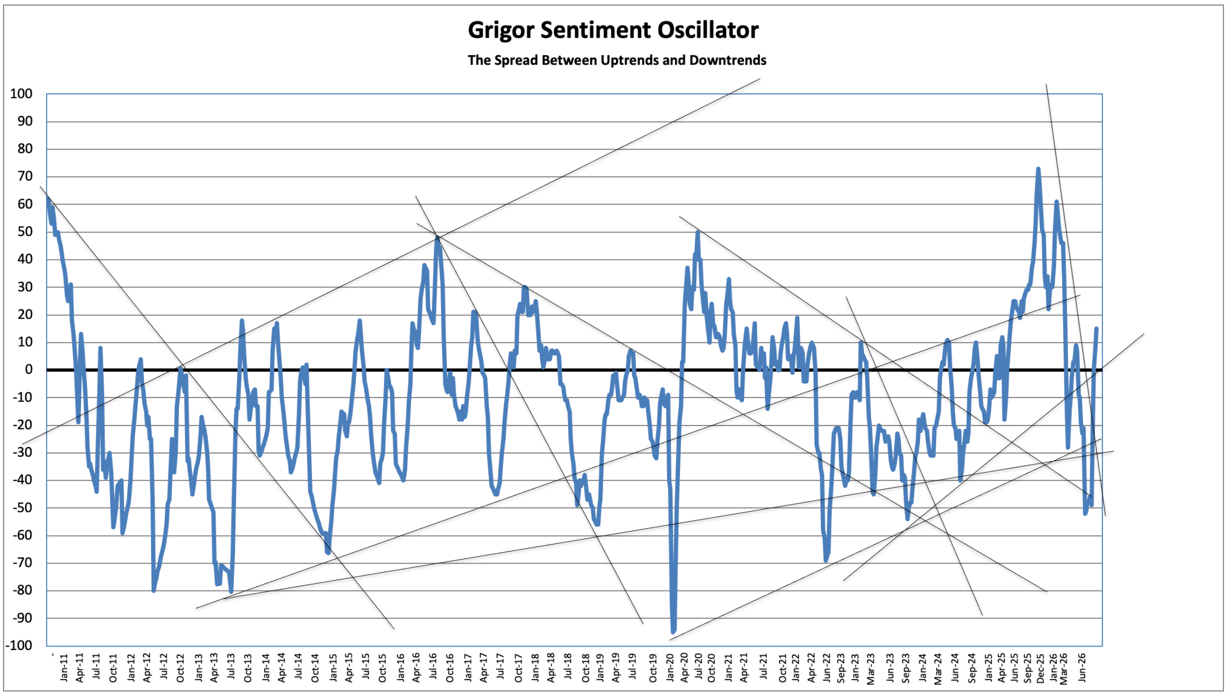
The current management of Aguia has not mentioned this project in recent years, notwithstanding its merit. It seems like the earlier MD wanted it kept under wraps while it was being progressed through the mine permitting phase, and there was no idea how long it would take back then, in the opposite end of the country to where the current phosphate mine is operating in Rio Grande do Sul. With no one championing the cause after his retirement, it seems like the project has just sat in an in-tray for a long time.

Fast forward to 2026, and the Brazil fertiliser space is a very different animal. Fertiliser prices are high, and there is a critical shortage of saleable product. Conditions are perfect for dusting off the file to see what the Company really has. The first step is to reactivate the permitting process, which may involve revised studies and application amendments. A new drilling program will be required to conduct both in-fill and extensional drilling to see how big the resource may become.

There is a good chance that the Lucena Project will be viable in today's economics. It adds to the theme of Aguia being a Brazilian specialist fertiliser company with a strong growth profile now that its first project is producing and selling phosphate.

As an added bonus, there is also a sizeable limestone resource on the leases. A Mineral Resource of 41.4 Mt of limestone has been calculated, together with sandstone waste, around which a preliminary pit design has been prepared. Maybe this could be another development to look forward to.

Disclosure: Interests associated with the author own shares in Aguia Resources, and the author is a director.



Grigor Sentiment Oscillator: Sentiment continued to improve last week as more downtrends were broken. There were 41% (38%) of shares under coverage in uptrend, and 26% (30%) in downtrend

Detailed Chart Comments

NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.

Indices	**Code**		**Trend Comment**	
All Ordinaries	XAO		pullback	
Metals and Mining	XMM		pullback	
Energy	XEJ		uptrend	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
Aguia Resources	AGR		down after placement	phosphate, gold
Akora	AKO		testing downtrend	iron ore
Alkane Resources	ALK		bounced off support line	gold
Alligator Energy	AGE		pullback	uranium
Alpha HPA	A4N		testing downtrend again	HPA
American Rare Earths	ARR		sideways	rare earths
American Tungsten & Antimony	AT4		steep rise	antimon
Anax Metals	ANX		rising again	copper
Andean Silver	ASL		heavy pullback	silver
AnteoTech	ADO		testing downtrend	batteries
Arafura Resources	ARU		new low	rare earths
Ardea Resources	ARL		breached downtrend	nickel
Ark Mines	AHK		surge out of downtrend	rare earths
Astral Resources	AAR		surge higher	gold

Aureka	AKA		spike higher	gold exploration
Auric Mining	AWJ		sideways through downtrend	gold
Aurora Energy Metals	1AE		on resistance line	uranium
Aurum Resources	AUE		surge out of steepest downtrend	gold exploration
Australian Gold and Copper	AGC		stronger	base metals, silver, gold
Australian Rare Earths	AR3		breached downtrend	rare earths
Australian Strategic Materials	ASM		breached downtrend	rare earths
BCI Minerals	BCI		rising	salt
BHP	BHP		pullback	diversified, iron ore
Ballard Mining	BM1		testing downtrend	lithium
Ballymore Resources	BMR		breached downtrend	gold exploration
Barton Gold	BGD		rising again	gold exploration
BCI Minerals	BCI		improving	salt
Beach Energy	BPT			oil and gas
Beetaloo Energy	BTL		breaching downtrend	gas
Bellevue Gold	BGL		on resistance line	gold
Black Cat Syndicate	BC8		testing downtrend	gold
Boa Resources	BOA		bounced on support line	copper
Boab Metals	BML		rising again	silver/lead
Brazilian Rare Earths	BRE		down	rare earths
Brightstar Resources	BTR		good rise	gold
Broken Hill Gold (ex Pac Gold)	BH6		at highs pre placement	gold
Broken Hill Mines	BHM		rising	base metals
Canadian Phosphate	CP8		breached downtrend	phosphate
Caravel Minerals	CVV		testing downtrend	copper
Carnaby Resources	CNB		spike out of downtrend on takeover	copper
Castile Resources	CST		improving	gold/copper/cobalt
Catalyst Metals	CYL		rising again	gold
Cazaly Resources	CAZ		breached downtrend	rare earths
Centaurus Metals	CTM		testing downtrend	nickel/cobalt/HPA
Challenger Gold	CEL		down	gold
CNG Resources	CGR		consolidating after rise	gold exploration
Cobalt Blue	COB			cobalt
CuFe	CUF		testing downtrend	bismuth, Cu, Au
Cyprium Metals	CYM		rising	copper
Energy Transition Metals	ETM		down	rare earths
EQ Resources	EQR		new high	tungsten
Estrella Resources	ESR		spike higher	manganese
Evolution Mining	EVN		breached downtrend	gold
Felix Gold	FXG		sideways at lows	gold exploration, antimony
Finder Energy	FDR			oil/gas
First Graphene	FGR			graphene
Flagship Minerals	FLG		sideways through downtrend	gold

Gateway Mining	GML		steep rise	gold exploration + gallium
GBM Resources	GBM		rising	gold
Genesis Minerals	GMD		steep rise	gold
Globe Metals and Mining	GBE		back in downtrend	niobium
Gold 50	G50		testing downtrend	gold exploration + gallium
Golden Horse	GHM		good rise	gold exploration
Great Boulder Resources	GBR		new low	gold exploration
Green360 Tech	GT3		down	kaolin
Hamelin Gold	HMG		rising	gold exploration
Hawk Resources	HWK		rising	scandium
Heavy Minerals	HVY		down	garnet
Horizon Gold	HRN		uptrend	gold
Iltani Resources	ILT		down	antimony
Iluka Resources	ILU		testing downtrend	mineral sands
Investigator Resources	IVR		testing downtrend	silver
Kantra Copper (Hillgrove Resources)	KAN		rising	copper
Jupiter Mines	JMS		sideways	manganese
Kaiser Reef	KAU		rising	gold
Kingfisher Minerals	KFM		testing downtrend	copper expl.
Kalamazoo Resources	KRZ		breached downtrend	gold
Kalina Power	KPO		rising	data centre power
Koba Resources	KOB		rising	uranium
Larvotto Resources	LRV		testing downtrend	gold, antimony
Litchfield Minerals	LMS		new low	copper exploration
Lindian Resources	LIN		breaching uptrend	rare earths + bauxite
Lode Resources	LDR		testing downtrend	antimony, silver
Lynas Corp.	LYC		steep rise	rare earths
Mammoth	M79			gold exploration
Many Peaks	MPK			gold exploration
Marmota	MEU		down	gold/uranium exploration
Maronan Metals	MMA		rising	silver/lead
Matsa Resources	MAT		new low	gold
Meeka Gold	MEK		testing downtrend	gold
MetalsX	MLX		rising	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Midas Minerals	MM1		breached downtrend	lithium
Mithril Silver & Gold	MTH		testing downtrend	silver, gold
Native Mineral Resources	NMR		testing downtrend	gold
New Murchison	NMG		rising	gold
Nexgen Energy	NXG		testing downtrend	uranium
Novo Resources	NVO		down	gold exploration
Omega Oil	OMA		rising again	oil
Pacific Lime & Cement	PLA		rising	renewables, cement
Paladin Energy	PDN		breached downtrend	uranium

Pantoro Gold	PNR		steep rise	gold
Patriot Battery Metals	PMT		new low	lithium
Peninsula Energy	PEN		collapse	uranium
Perseus Mining	PRU		rising again	gold
Phosco	PHO		sideways	phosphate
Pilbara Minerals	PGL		testing downtrend	gold
PolarX	PXX			gold exploration, base metals
Power Minerals	PNN		new high	rare earths
QMines	QML		improving	copper
Regis Resources	RRL		steep rise	gold
Revolver Resources	RRR		at lows	copper
Richmond Vanadium	RVT		breached downtrend	vanadium
RIO	RIO		consolidating	diversified, iron ore
Rox Resources	RXL		new high	gold
RTG Mining	RTG		new high	copper
Rumble Resources	RTR			zinc, gold, tungsten exploration
Santana Minerals	SMI		testing downtrend	gold
Santos	STO		at highs	oil/gas
Sarytogan Graphite	SGA			graphite
Scorpion Minerals	SCN		down	gold exploration
Sinclair Gold (was AQI)	SGC		testing downtrend	gold exploration
Siren Gold	SNG		down	gold exploration
Skylark Minerals	SKM		down	gold exploration
Somerset Minerals	SMM		bounced off lows	copper exploration
Southern Palladium	SPD		rising	PGMs
Stanmore Coal	SMR		rising	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		improving	tin
Sun Silver	SS1		breached downtrend	silver
Sunrise Metals	SRL		down	scandium
Tamboran Resources	TBN		spike higher	gas
Theta Gold	TGM		on support line	gold
Tivan	TVN		resuming downtrend	fluorite
Torque Metals	TOR		recovering from lows	gold exploration + lithium
Toubani Resources	TRE		new low	gold
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		steep rise	gold
Waratah Minerals	WTM		testing downtrend	gold exploration
Westgold Resources	WGX		steep rise	gold
West Wits Mining	WWI		testing downtrend	gold
Whitehaven Coal	WHC		breached downtrend	coal
White Cliff Minerals	WCN		sideways	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		risen to resistance line	gold exploration

Totals	41%	59	Uptrend	
	26%	38	Downtrend	
		145		

Guides to Chart Interpretations

- Charts usually go from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represents both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends, it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment, i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey-type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, sometimes for obscure reasons. If a chart consistently gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast-moving markets.

Amber Lights in Tables: Just a reminder, if the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend, it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk-takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (or downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts

Sector	No. of Companies	Weighting	
Gold	**35**	**24.1%**	
Gold Exploration	**23**	**15.9%**	
Copper	**13**	**9.0%**	
Rare Earths	**13**	**9.0%**	
Uranium	**6**	**4.1%**	
Oil/Gas/Hydrogen	**6**	**4.1%**	
Silver	**7**	**4.8%**	
Iron Ore/Manganese	**5**	**3.4%**	
Antimony	**4**	**2.8%**	
Lithium	**3**	**2.1%**	
Graphite/graphene	**2**	**1.4%**	
HPA/Kaolin	**2**	**1.4%**	
Nickel	**2**	**1.4%**	
Scandium	**2**	**1.4%**	
Tungsten	**1**	**0.7%**	
Tin	**2**	**1.4%**	
Coal	**2**	**1.4%**	
Bismuth	**1**	**0.7%**	
Niobium	**1**	**0.7%**	
Potash/Phosphate	**3**	**2.1%**	

Base metals	**1**	**0.7%**	
Vanadium	**1**	**0.7%**	
PGMs	**1**	**0.7%**	
Mineral Sands	**1**	**0.7%**	
Cobalt	**1**	**0.7%**	
Other	**7**	**4.8%**	
Total	**145**		

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