



BC IRON
LIMITED

FY15 Financial Results Presentation

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ASX:BCI
26 Aug '15

Nullagine Joint Venture (“NJV”)

- Full-year NJV sales of 5.26M wmt
- Solid performance in last 7 months of year, with 3.62M wmt shipped at C1 cash costs of A\$47/wmt
- Cost saving initiatives have lowered cost base by A\$7-10/wmt compared to FY14, or up to A\$50M in savings on an annual basis (100% NJV terms)

Iron Valley

- Acquired through Iron Ore Holdings (“IOH”) takeover
- Agreement with Mineral Resources (“MIN”) renegotiated – supports ongoing operation in challenging market and facilitates evaluation of key operational enhancement initiatives
- Exports commenced in Oct-14 – 2.83M dmt shipped in FY15
- Evaluation of beneficiation and BOTS initiatives progressed

Buckland

- Acquired through IOH takeover – strategic development project with potential 15 plus year mine life and independent infrastructure solution
- Evaluation of development and financing options underway
- Joint study completed with API in relation to collaboration opportunities for Bungaroo South and API’s contiguous Buckland Hills deposit
- Cape Preston East approvals advanced

Corporate

- US\$45.4M in debt repaid during FY15 – only remaining debt is a US\$5M interest-free and security free facility with offtake partner, Henghou
- Cash of A\$67.7M
- Portfolio of Pilbara iron ore projects with substantial Ore Reserve / Mineral Resource base

- **Full-year results affected by NJV clay-related challenges in the first half and declining iron ore prices, particularly in the second half**
 - ❖ *Revenue of A\$281.2M, EBITDA of A\$0.1M and net loss after tax of A\$158.5M*
 - ❖ *Non-cash impairment of A\$70.7M (pre-tax) – total FY15 impairment of A\$170.9M (pre-tax)*
 - ❖ *Underlying net loss after tax of A\$43.1M after adjusting for impairment, IOH transaction costs, tax losses not recognised and unrealised foreign exchange loss*

- **Materially improved financial results for the seven months following the NJV operational challenges (Dec-14 to Jun-15), despite low iron ore prices**
 - ❖ *Operating cash flow of A\$11.4M (before IOH transaction costs paid of A\$0.5M)*
 - ❖ *EBITDA of A\$9.0M (before IOH transaction costs incurred of A\$3.4M)*

- **Iron Valley generated revenue of A\$18.8M and EBITDA of A\$4.1M**

- **Balance sheet de-risked – all interest-bearing debt repaid ahead of schedule**
 - ❖ *Cash of A\$67.7M and remaining debt of A\$6.3M*

FY15 KEY METRICS



Item	5 months to 30-Nov-14	7 months to 30-Jun-15	Year ended 30-Jun-15	Year ended 30-Jun-14 ⁴
Ave 62% Fe CFR price (US\$/dmt)	85	62	72	123
Ave capesize freight rate to China (US\$/wmt)	8.3	4.8	6.3	9.3
Ave exchange rate (AUD:USD)	0.9043	0.7890	0.8371	0.9179
NJV sales – 100% basis (M wmt)	1.64	3.62	5.26	5.79
NJV sales – BC Iron share (M wmt)	1.29	2.71	4.00	4.30
NJV C1 cash costs (A\$/wmt)	69	47	54	52
Iron Valley sales (M dmt)	0.43	2.40	2.83	n.a.
Revenue (A\$M)	92.5	188.7	281.2	471.4
EBITDA (A\$M)	(5.5)	5.6 ¹	0.1	149.9
NPAT (A\$M)	n.a. ³	n.a. ³	(158.5)	71.8
Underlying NPAT (A\$M)	n.a. ³	n.a. ³	(43.1)	77.4
Net operating cash flow (A\$M)	(43.7)	10.9 ²	(32.8)	145.0
Cash balance (A\$M)	n.a. ³	n.a. ³	67.7	158.9
Debt outstanding (A\$M)	n.a. ³	n.a. ³	6.3	52.2
Dividend per share (cps)	-	-	-	32.0

1. Includes IOH transaction costs incurred of A\$3.3M.

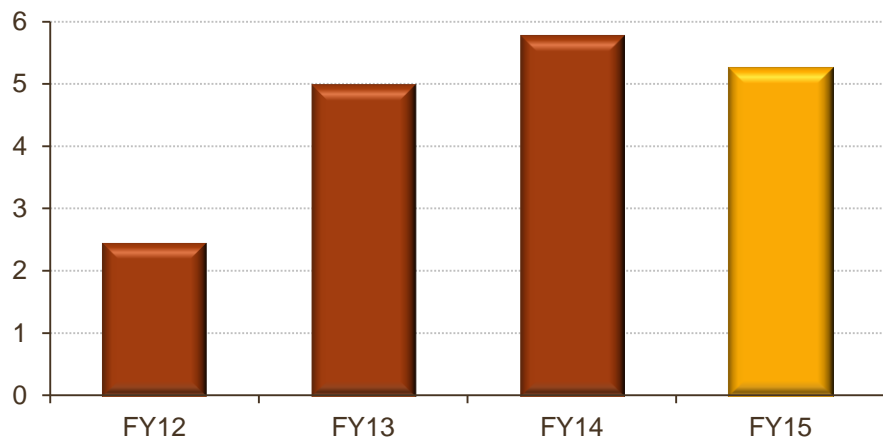
2. Includes IOH transaction costs paid of A\$0.5M.

3. Only revenue, EBITDA and net operating cash flow are shown for the five and seven month sub-periods.

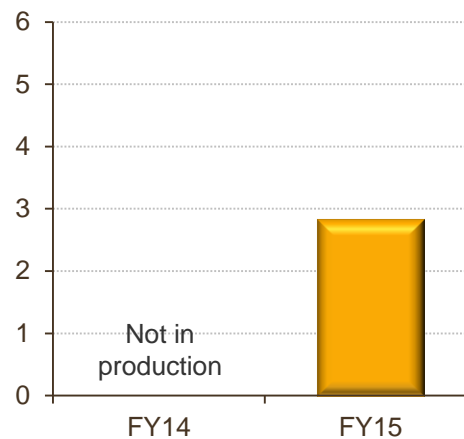
4. Restated for change in accounting policy to expense exploration and evaluation expenditure as incurred.

OPERATIONAL PERFORMANCE

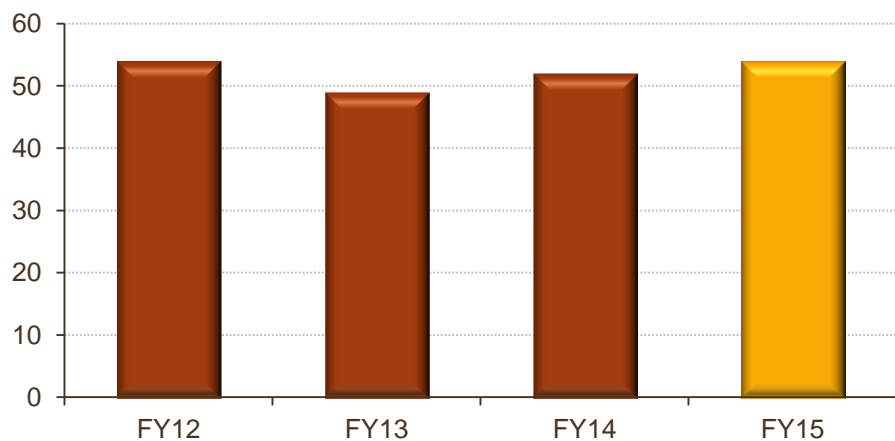
NJV Ore Shipped (M wmt)



Iron Valley Ore Shipped (M dmt)



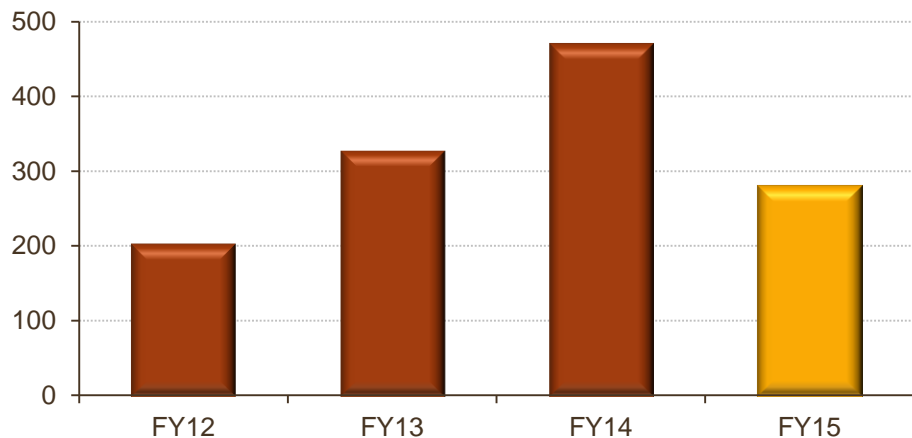
NJV C1 Cash Costs (A\$/wmt, FOB)



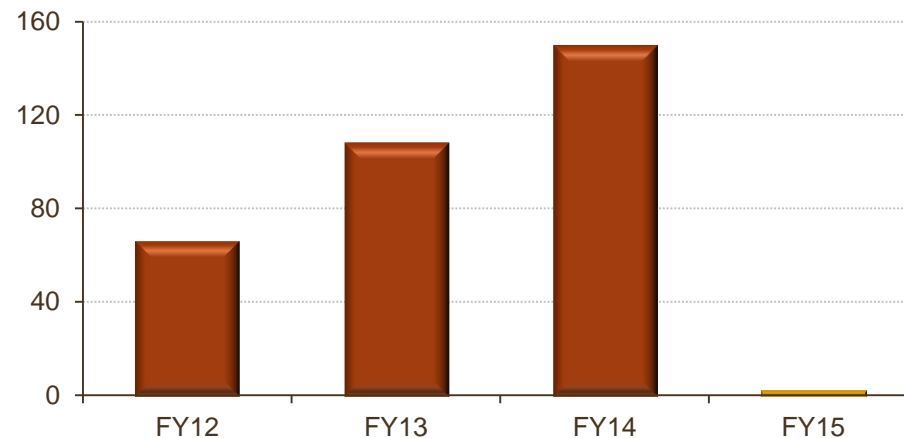
Note: C1 cash costs exclude royalties, marketing and corporate costs.

FINANCIAL PERFORMANCE

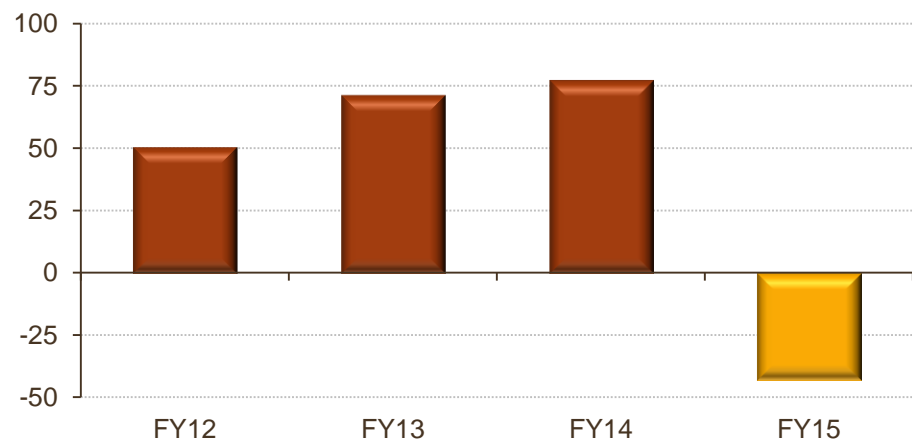
Revenue (A\$M)



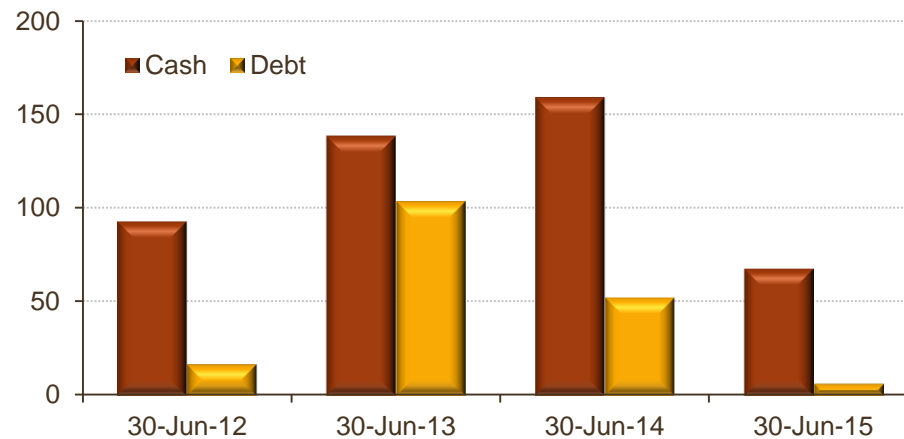
EBITDA (A\$M)



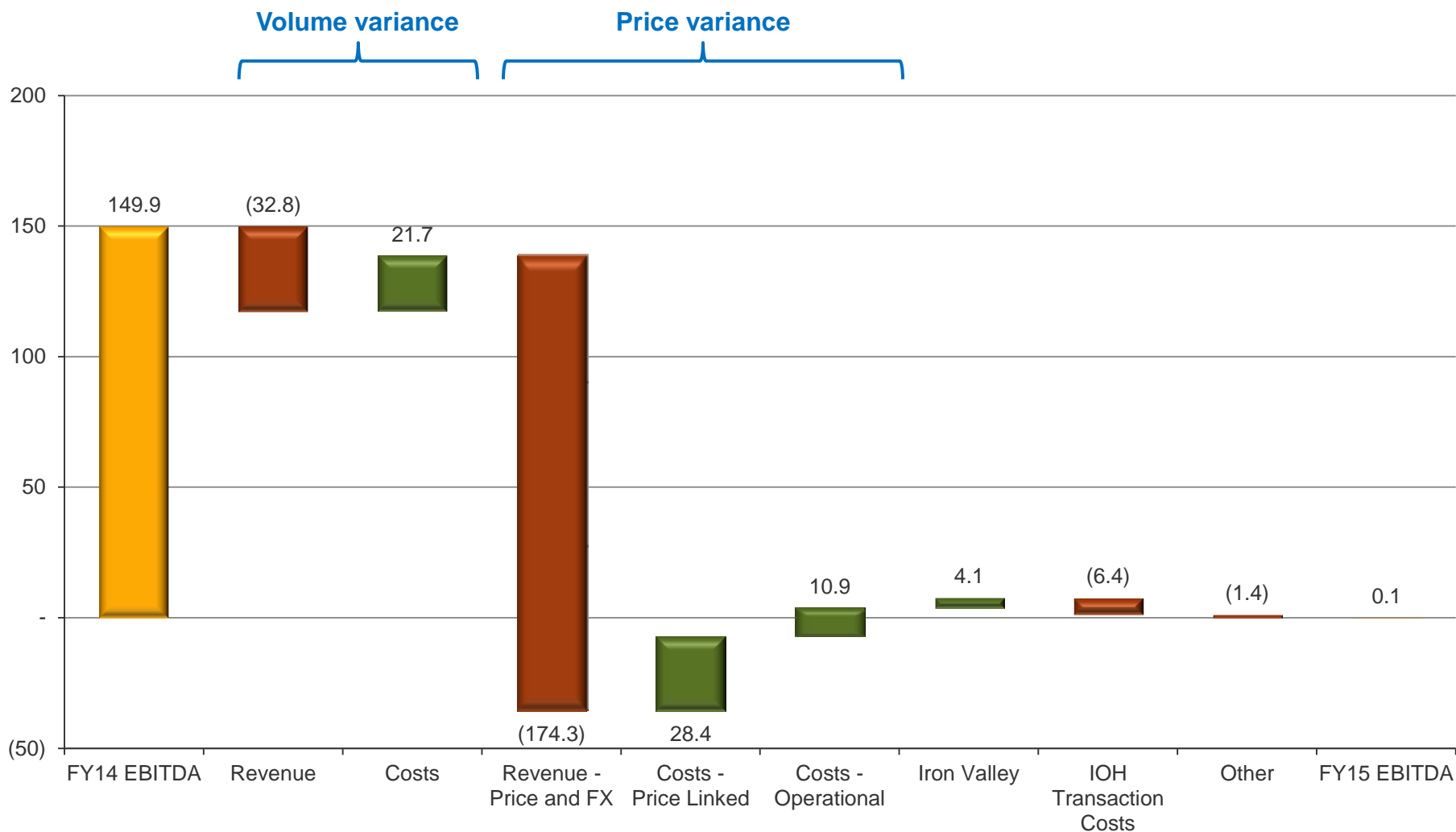
Underlying NPAT (A\$M)



Cash and Debt (A\$M)

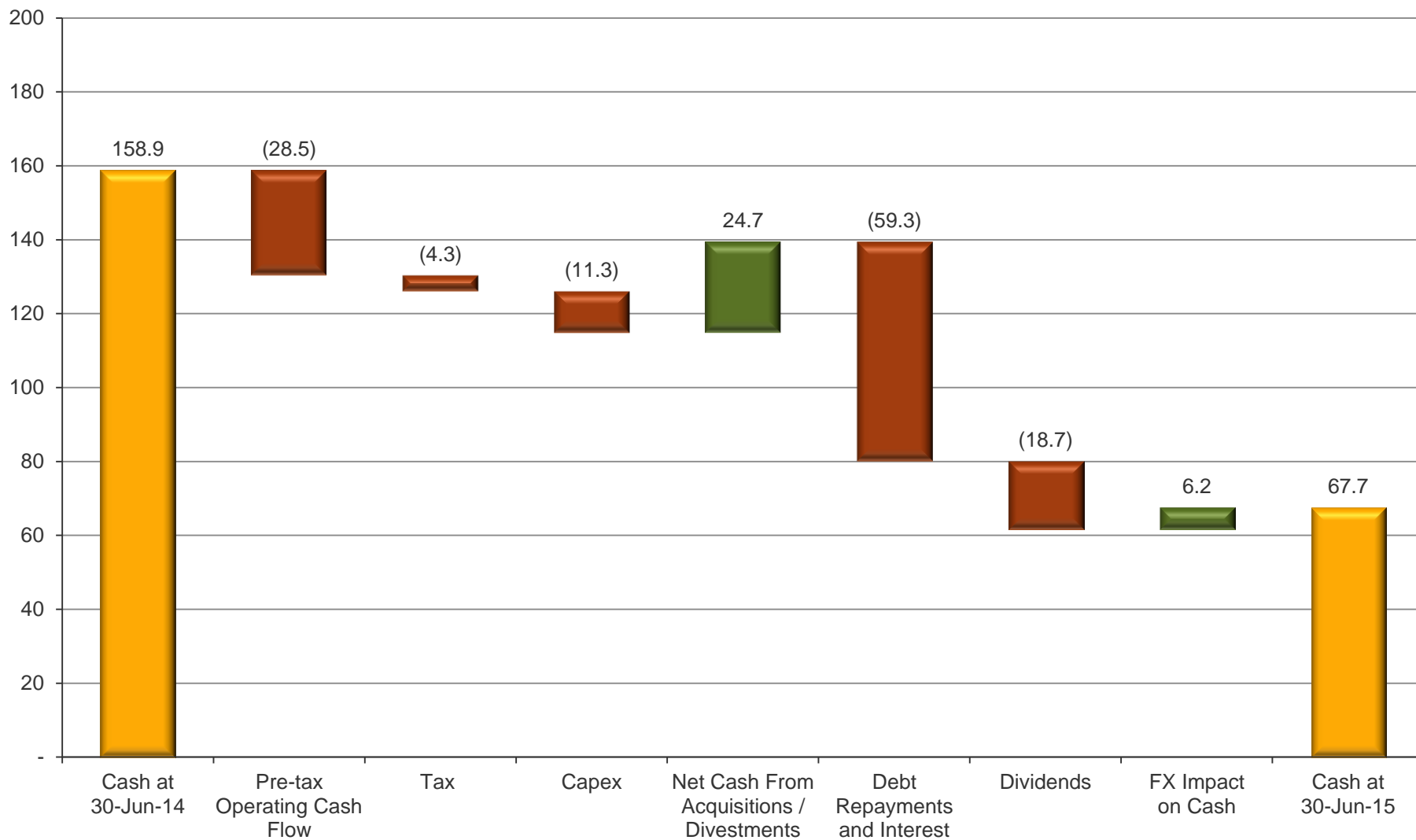


EBITDA VARIANCE (A\$M)



Note: "Costs - Price Linked" include the price effect of royalties, marketing and freight. "Costs - Operational" include the price effect of operating costs and site overheads. "Other" includes exploration expenditure and corporate overheads (excluding IOH transaction costs).

CASH BALANCE MOVEMENT (A\$M)



NJV

- NJV sales of 4.9-5.3M wmt (BCI share 3.7-4.0M wmt)
- NJV C1 cash costs of A\$42-45/wmt (FOB)
- BCI all-in cash costs¹ of A\$48-54/wmt (FOB)
- NJV capex of A\$16-19M (BCI share of A\$12-14M)
 - ❖ *Already expecting this to be reduced during FY16*

1: All-in cash costs are NJV C1 cash costs plus royalties, marketing, exploration and evaluation expenditure and corporate costs.

Iron Valley

- Continued as a DSO, truck haulage operation
- BC Iron EBITDA of A\$5-14M²

Other Capital and E&E

- A\$4-6M for Buckland and Iron Valley
 - ❖ *Further studies and approvals at Buckland*
 - ❖ *Below water table approvals at Iron Valley*

2: Based on ranges for production (3-5Mtpa), iron ore prices (US\$45-65/dmt), freight rates of (US\$5-8/wmt) and AUD FX rates (0.70-0.80)



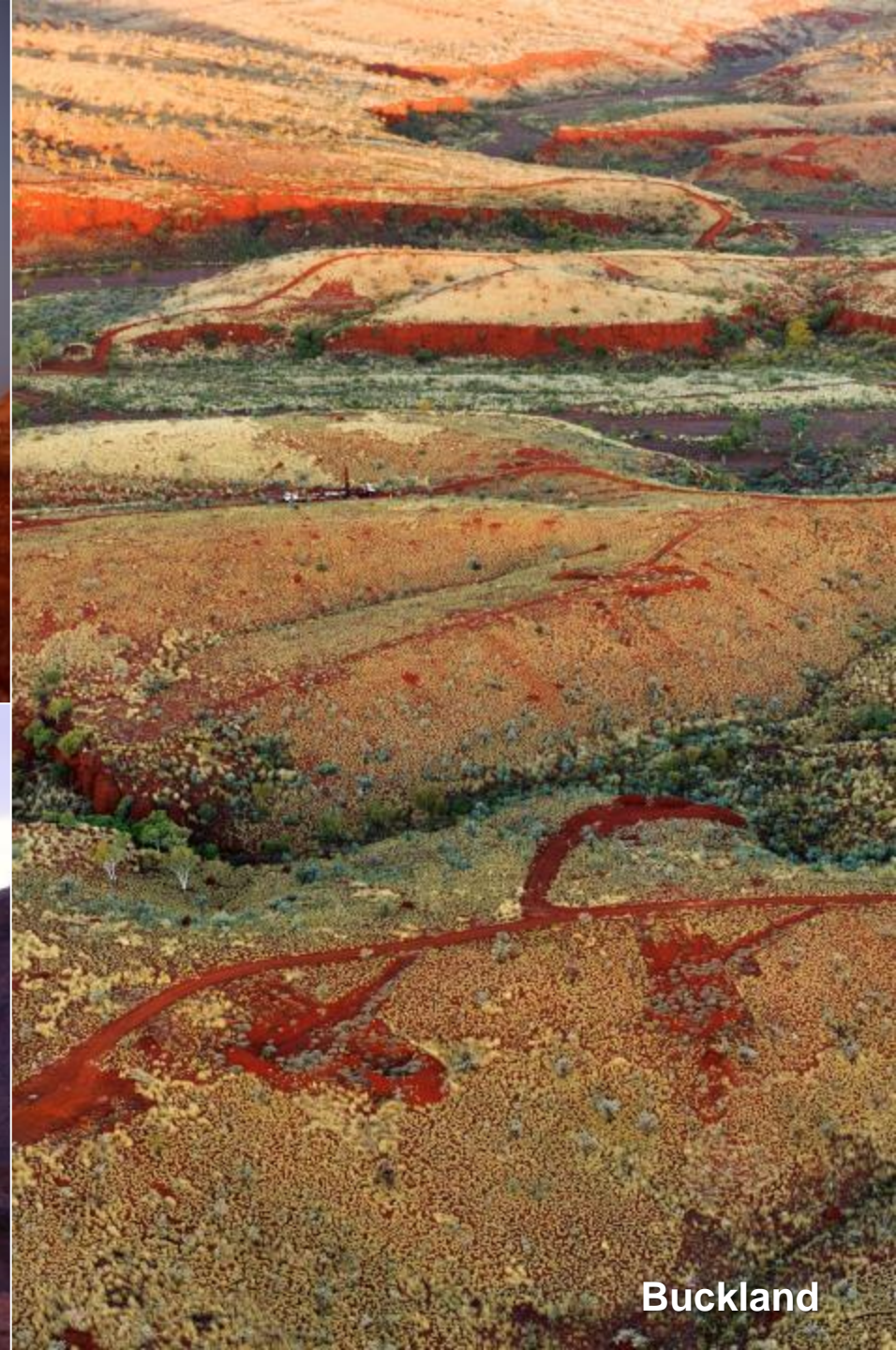


BC Iron Overview

Nullagine



Iron Valley



Buckland

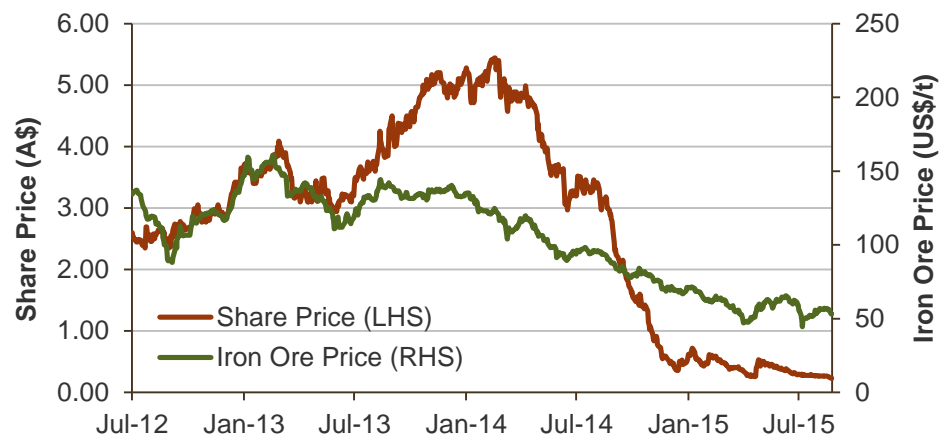
CORPORATE OVERVIEW



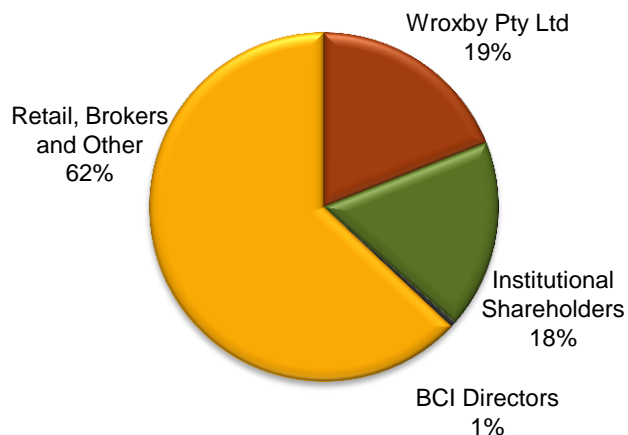
Capital Structure

Ordinary Shares	196.2m
Share Price (at 25-Aug-15)	\$0.23
Market Capitalisation	\$45.1m
Cash (at 30-Jun-15)	\$67.7m
Debt (at 30-Jun-15)	\$6.3m
Enterprise Value	(\$16.3m)
Options / Performance Rights	0.3m

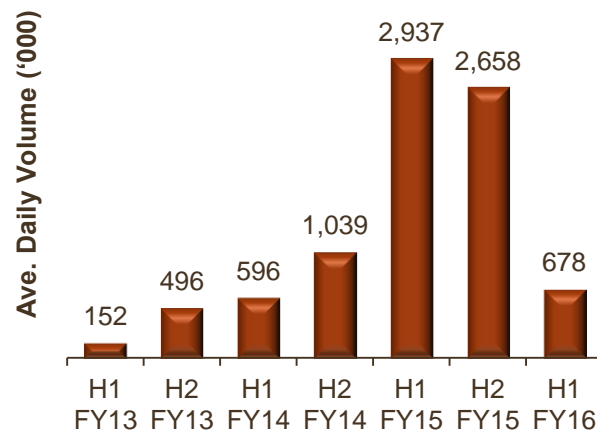
Share Price vs Iron Ore Price



Shareholder Breakdown (as at 30-Jun-15)



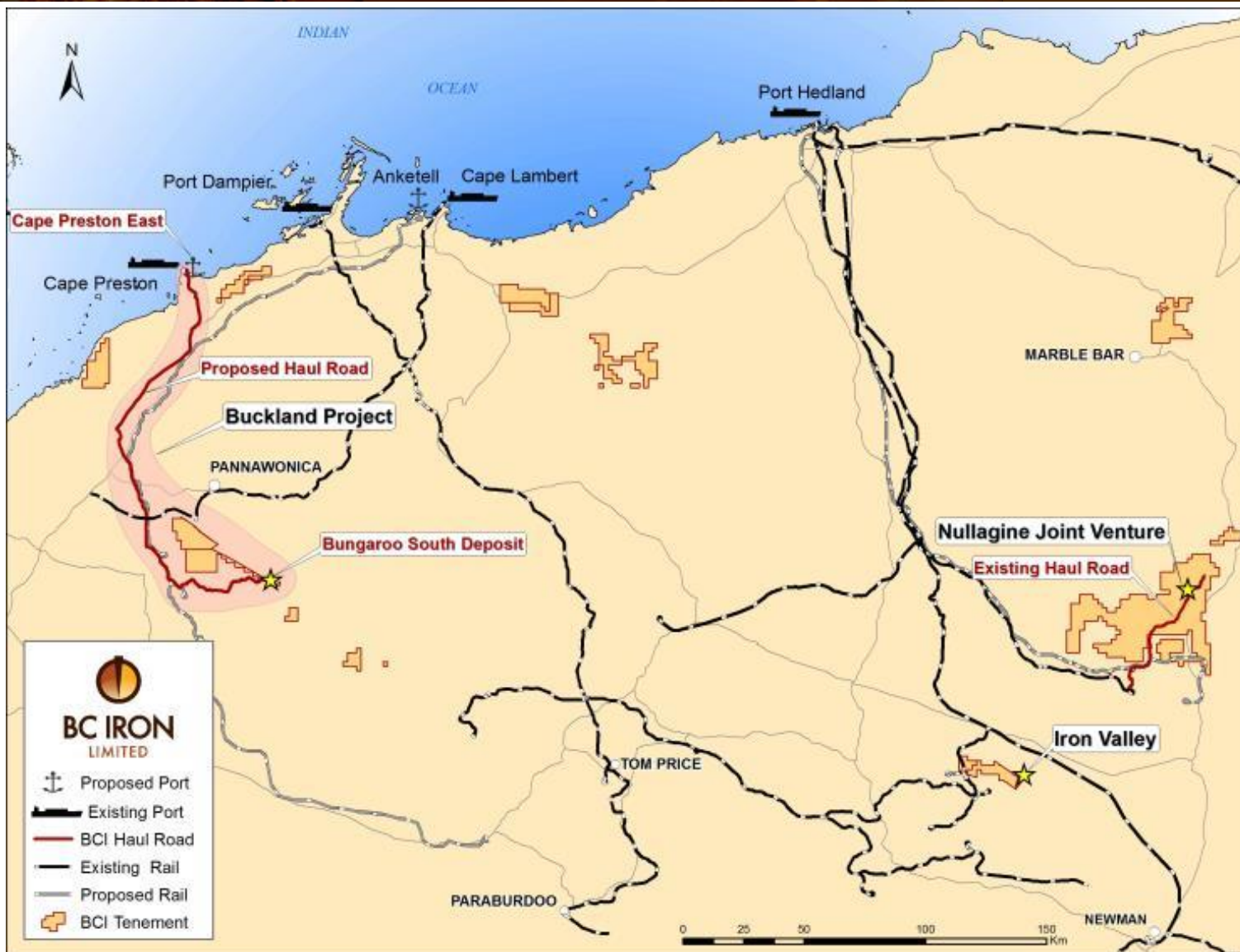
Liquidity (excl. block trades)



Research Coverage



BC IRON KEY ASSETS



Reserves (Equity Basis)¹

Project	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Nullagine ²	19.5	56.3	64.2	3.3	2.2	0.01	12.3
Buckland	134.3	57.6	62.6	6.5	2.4	0.15	8.0
Iron Valley	129.9	58.9	63.4	4.8	3.0	0.17	7.1
Total	283.7	58.1	63.1	5.5	2.7	0.15	7.9

Resources (Equity Basis)¹

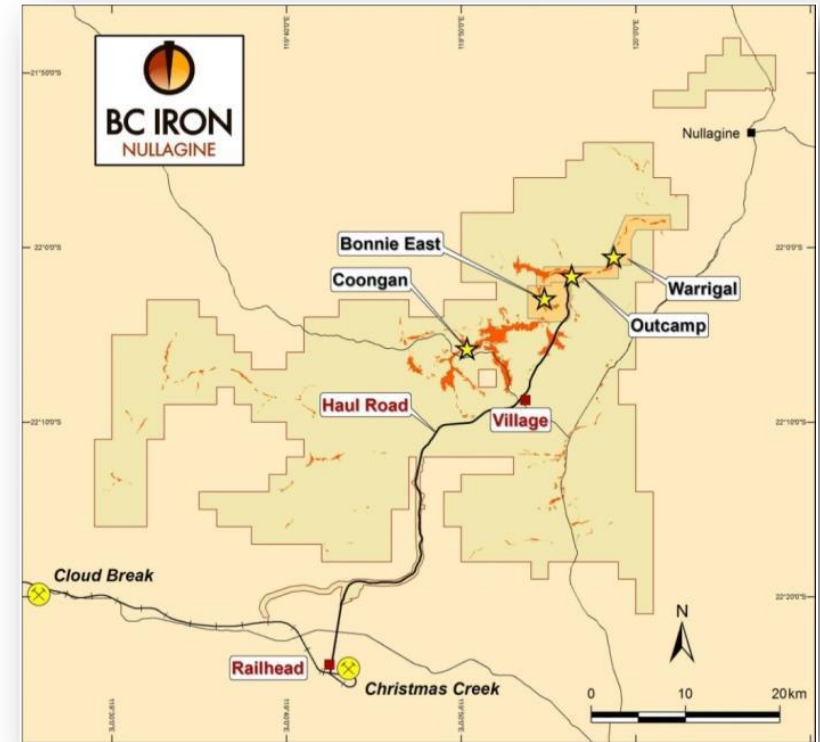
Project	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Nullagine	69.0	52.8	60.0	5.6	4.5	0.02	12.0
Buckland	283.3	56.5	61.4	7.8	2.7	0.14	8.1
Iron Valley	246.8	58.4	62.8	5.2	3.2	0.17	7.0
Sub-total	599.1	56.9	61.8	6.5	3.1	0.14	8.1
Maitland ³	1,106.0	30.4	30.8	44.0	2.3	0.06	1.2



1. Mineral Resources and Ore Reserves are prepared in accordance with JORC guidelines. Refer to Appendices for relevant detail.
2. Includes DSO Reserves and BSO Reserves, but excludes DSO stockpiles of 0.4Mt at 55.1% Fe (equity basis).
3. Beneficiable feed ore (BFO) that requires beneficiation.

A producing mine with access to world-class infrastructure.

- Located ~55km north of FMG's Christmas Creek
- Unincorporated joint venture – 75% BCI, 25% FMG
 - ❖ *BC Iron is the manager of the NJV*
 - ❖ *FMG provides rail & port and marketing services*
- Capacity to export 6Mtpa – FY16 guidance of 4.9-5.3Mt
- C1 cash cost guidance of A\$42-45/wmt (FOB)
- All-in cash cost guidance of A\$48-54/wmt (FOB)
- Current mine life of ~4 years, with average remaining LOM strip ratio of 1.6:1
- Focusing on further sustainable cost savings





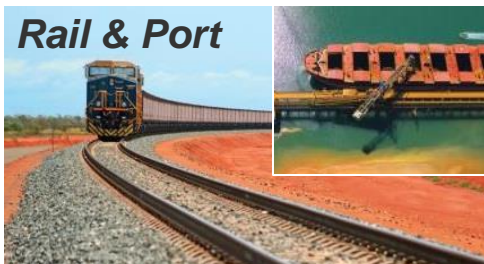
- Contract mining utilising BCI-owned Vermeer surface miners
- Mine plan has four areas – currently mining at Outcamp and Warrigal
- Mine life of ~4 years, with average remaining LOM strip ratio of 1.6:1



- Dry crushing & screening process
- Two crushing hubs; Outcamp (BCI-owned) and Warrigal (contracted)



- Ore trucked 60km via private sealed road to dedicated stockyard at Christmas Creek railhead
- 8 PowerTrans units – dual powered with 5 trailers and 400t payload



- World class rail and port, and access to Capesize vessels
- Dedicated NJV stockyards at railhead and port
- NJV capacity of 6Mtpa

Operating mine that is generating cash flows via iron ore sale agreement with MIN.

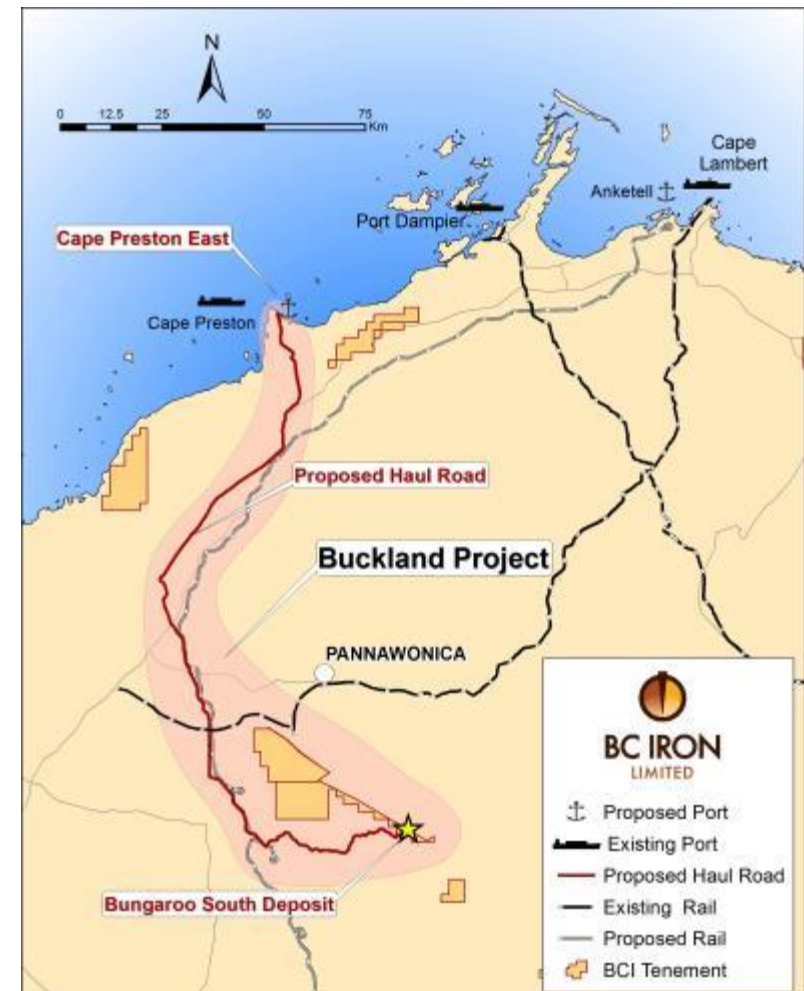
- Iron ore sale agreement with Mineral Resources Limited (MIN)
 - ❖ *BC Iron retains tenement ownership and statutory obligations (incl. government royalties)*
 - ❖ *MIN operates the mine at MIN's cost*
 - ❖ *MIN buys ore from BCI at a price linked to MIN's FOB price*
 - ❖ *Term is lesser of 20 years or 200Mt purchased by MIN*
- Ore Reserve of 129.9 Mt at 58.9% Fe¹ and Mineral Resource of 246.8 Mt at 58.4% Fe¹
- Currently being operated as a DSO, truck haulage operation
- 2.83M dmt shipped during FY15, which generated revenue of A\$18.8M and EBITDA of A\$4.1M
- MIN evaluating potential for beneficiation and construction of a bulk ore transport system (BOTS) to Port Hedland
 - ❖ *Agreement contemplates these initiatives and provides for upside to BC Iron*



1. Mineral Resources and Ore Reserves are prepared in accordance with JORC (2012) guidelines. Refer to appendices for relevant detail.

Development project with an independent infrastructure solution.

- Wholly owned project located in the West Pilbara region
- Ore Reserve of 134.3 Mt at 57.6% Fe¹ and Mineral Resource of 283.2 Mt at 56.5% Fe¹
- Feasibility study (“FS”) completed by IOH in June 2014
 - ❖ Potential 8Mtpa operation for 15 years at 1:1 strip ratio
 - ❖ Proposed independent infrastructure solution – private road to 20Mtpa transshipment port at Cape Preston East
- All major permits and approvals received – further Cape Preston East approvals being progressed
- Currently considering optimal way forward for the project:
 - ❖ Mine development options (as per FS, smaller-scale start-up or larger joint operation with APIJV’s Buckland Hills deposit)
 - ❖ Transport options (as per FS or proposed third party solutions, such as Aurizon rail or MIN BOTS)
 - ❖ Port options (Cape Preston East as per FS or proposed third party solutions)



1. Mineral Resources and Ore Reserves are prepared in accordance with JORC guidelines. Refer to appendices for relevant detail.

NJV

- FY16 sales guidance of 4.9-5.3M wmt (100% basis)
- C1 cash costs of A\$42-45/wmt
- BC Iron all-in cash costs of A\$48-54/wmt



Iron Valley

- Long life asset currently being operated by MIN as a DSO, truck haulage operation
- FY16 EBITDA of A\$5-14M (based on range of production rates and iron ore prices)
- MIN evaluating beneficiation and alternative transport solution (BOTS) to enhance Iron Valley economics



Buckland

- Development project with potential mine life in excess of 15 years
- Considering all mine / infrastructure / financing options to determine optimal development and financing path
- Progressing Cape Preston East approvals process



APPENDICES



NJV RESERVES & RESOURCES



CID Mineral Resource at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	10.2	52.7	60.1	4.5	5.1	0.017	0.012	12.4
Indicated	34.1	54.2	62.0	3.2	4.3	0.017	0.011	12.5
Inferred	47.6	51.9	58.6	5.5	6.7	0.023	0.019	11.4
Total CID	91.9	52.8	60.0	4.5	5.6	0.020	0.015	12.0

DSO Mineral Resource at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	4.2	57.0	64.4	2.7	3.0	0.016	0.013	11.5
Indicated	21.6	57.1	64.8	2.0	3.0	0.016	0.011	12.0
Inferred	5.5	56.9	64.0	2.7	3.9	0.021	0.014	11.1
Total DSO	31.3	57.0	64.6	2.2	3.1	0.017	0.012	11.8

DSO Ore Reserve at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Proved	1.3	57.9	65.6	2.1	2.2	0.01	0.01	11.7
Probable	19.4	56.9	64.7	2.0	3.1	0.01	0.01	12.1
Total	20.7	56.9	64.7	2.0	3.0	0.01	0.01	12.1

BSO Probable Ore Reserve at 30 June 2015 (BC Iron 75%, FMG 25%)

	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Feed Material	13.5	51.3	59.2	3.6	5.5	0.017	0.011	13.4
Beneficiated Product	5.4	54.0	62.2	2.8	4.3	0.015	0.010	13.0

DSO Stockpile Inventory at 30 June 2015 (BC Iron 75%, FMG 25%)

	Mt	Fe%	Al ₂ O ₃ %	SiO ₂ %
Total	0.56	55.1	2.8	3.5

Note:

CID Resources are inclusive of DSO Resources, which are in turn inclusive of DSO Reserves. CID Resources are also inclusive of a portion of the BSO Reserve (feed material) that doesn't sit within existing low grade stockpiles. CID means "channel iron deposit", DSO means "direct shipping ore" and BSO means "beneficiated shipping ore".

IRON VALLEY RESERVES & RESOURCES



Mineral Resource at 30 June 2015 (100% BC Iron, subject to iron ore sale agreement with MIN)

Classification	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Measured	50	34.9	59.4	63.8	4.7	2.8	0.17	6.9
Indicated	50	172.8	58.4	63.0	5.0	3.1	0.18	7.4
Inferred	50	39.1	57.8	61.0	7.0	3.9	0.15	5.3
Total	50	246.8	58.4	62.8	5.2	3.2	0.17	7.0

Ore Reserve at 30 June 2015 (100% BC Iron, subject to iron ore sale agreement with MIN)

Classification	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
In-situ Proved	54	25.9	59.9	64.2	4.4	2.5	0.17	6.7
In-situ Probable	54	100.5	58.7	63.3	4.8	3.1	0.18	7.2
Stockpiles Proved	54	3.5	56.5	60.3	9.2	2.8	0.11	6.3
Total	54	129.9	58.9	63.4	4.8	3.0	0.17	7.1

Notes:

- The Ore Reserve estimate is based on beneficiable (upgradable) ore.
- Ore Reserve stockpiles have been converted to dry metric tonnes based on a 5.5% moisture content. Stockpiles include 1.25Mt of post-process lump and fines products.

BUCKLAND RESERVES & RESOURCES



Mineral Resource at 30 June 2015 (100% BC Iron)

Deposit	Classification	Cut-off (%Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Bungaroo South	Measured	50	30.9	57.4	62.1	6.7	3.0	0.15	7.6
	Indicated	50	214.9	56.6	61.6	7.8	2.4	0.15	8.1
Dragon	Indicated	50	9.1	55.8	60.9	8.1	3.1	0.14	8.3
	Inferred	50	3.4	54.7	59.4	10.2	3.0	0.13	7.9
Rabbit	Indicated	50	5.9	55.0	58.9	10.3	3.4	0.13	6.6
	Inferred	50	1.3	53.7	58.1	11.2	3.3	0.08	7.5
Rooster	Indicated	50	5.2	55.8	60.2	7.2	4.6	0.08	7.3
	Inferred	50	5.4	52.1	56.8	9.6	6.3	0.06	8.3
Snake	Inferred	50	7.1	57.0	62.6	5.8	2.8	0.15	9.0
Sub-total	Measured	50	30.9	57.4	62.1	6.7	3.0	0.15	7.6
	Indicated	50	235.1	56.5	61.5	7.9	2.5	0.14	8.1
	Inferred	50	17.2	54.8	59.8	8.3	4.0	0.11	8.4
Total			283.3	56.5	61.4	2.7	7.8	0.14	8.1

Ore Reserve at 30 June 2015 (100% BC Iron)

Deposit	Classification	Cut-off (%Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Bungaroo South	Proved	54	23.2	58.3	62.9	5.8	2.9	0.15	7.4
	Probable	54	106.7	57.5	62.6	6.6	2.3	0.15	8.1
Dragon	Proved	54	-	-	-	-	-	-	-
	Probable	54	4.4	57.1	62.3	6.5	2.8	0.14	8.4
Sub-total	Proved	54	23.2	58.3	62.9	5.8	2.9	0.15	7.4
	Probable	54	111.1	57.5	62.6	6.6	2.3	0.15	8.1
Total			134.3	57.6	62.6	6.5	2.4	0.15	8.0

Ore Reserves and Mineral Resources Disclosures

The information in this announcement that relates to Mineral Resources and Ore Reserves at the Nullagine Joint Venture is extracted from the ASX announcement entitled NJV Ore Reserves and Mineral Resources dated 25 August 2015 and is available to view on <http://www.bcion.com.au/investors/asx-announcements/2015.html>. BC Iron confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. BC Iron confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to Mineral Resources and Ore Reserves at the Buckland Project is extracted from the Iron Ore Holdings Limited ASX Announcement titled "Buckland Project – Updated Ore Reserve" (dated 4 June 2014). This announcement is available to view at <http://www.bcion.com.au/investors/asx-announcements/ioh-archive.html>. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement that relates to Mineral Resources and Ore Reserves at Iron Valley is extracted from the ASX announcement entitled Iron Valley Ore Reserves and Mineral Resources dated 25 August 2015 and is available to view on <http://www.bcion.com.au/investors/asx-announcements/2015.html>. BC Iron confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. BC Iron confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.



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