



# **Annual General Meeting**

**Alwyn Vorster – Managing Director**

**25 November 2016**

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- Persistent price decline during 2015
  - ❖ Low of US\$38/dmt in Dec-15
  - ❖ Lowest price in the ~8 year history of spot price indices
- Prices in 2H FY16 outperformed expectations
  - ❖ Chinese stimulus having positive impact
  - ❖ Guidance reduced by some majors (but S11D and Roy Hill ramping up)
  - ❖ High volatility and increasing discounts for 58% Fe ore
- Longer term price outlook points to US\$45-65/dmt price range
- BCI positions projects to be profitable at a CFR 62% Fe price of US\$40/dmt

CFR 62% Fe Iron Ore Price (US\$/dmt)



# Financial Year 2016 – BCI Key Themes

## ***FY16 Financial Result***

- Revenue of A\$151M
- Net loss after tax of A\$80M and underlying net loss after tax of A\$9M
- At 30 June: Cash of A\$9.5M and debt and royalty obligations of A\$8.4M

## ***FY16 Balance Sheet Protection***

- Nullagine suspended to protect balance sheet (Dec-15)
- Settlement of Watpac litigation to reduce risk (Jun-16)
- Lower salary costs and director fees (Jun-16)

## ***FY16 Strong Iron Valley Performance***

- 6.5M wmt shipped for BCI EBITDA of A\$10.2M
- EBITDA of A\$4.6M for Jun-16 quarter (and A\$4.7M for Sep-16 quarter)

## ***Resetting of BCI Underway***

- Management changes and refocus of strategy
- Successful capital raising (Nov-16)

# Corporate Overview



## Capital Structure (24-Nov-16, unless stated)

Ordinary Shares	392.5m
Share Price	\$0.175
<b>Market Capitalisation</b>	<b>\$68.7m</b>
Cash (30-Sep-16, adjusted <sup>1</sup> )	\$31.9m
Debt & Deferred Royalties (30-Sep-16, adjusted <sup>1</sup> )	\$5.2m

1. Cash adjusted for \$24.4m net proceeds from entitlement offer. Cash and debt & deferred royalties adjusted for final debt repayment of \$2.0m to Henghou in Oct-16.

## Share Price History



## Board

Tony Kiernan	Non-Executive Chairman
Alwyn Vorster	Managing Director
Martin Bryant	Non-Executive Director
Andy Haslam	Non-Executive Director
Brian O'Donnell	Non-Executive Director

## Major Shareholders (24-Nov-16)

Wroxby Pty Ltd	26.0%
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# BCI 2016/17 Strategy Map

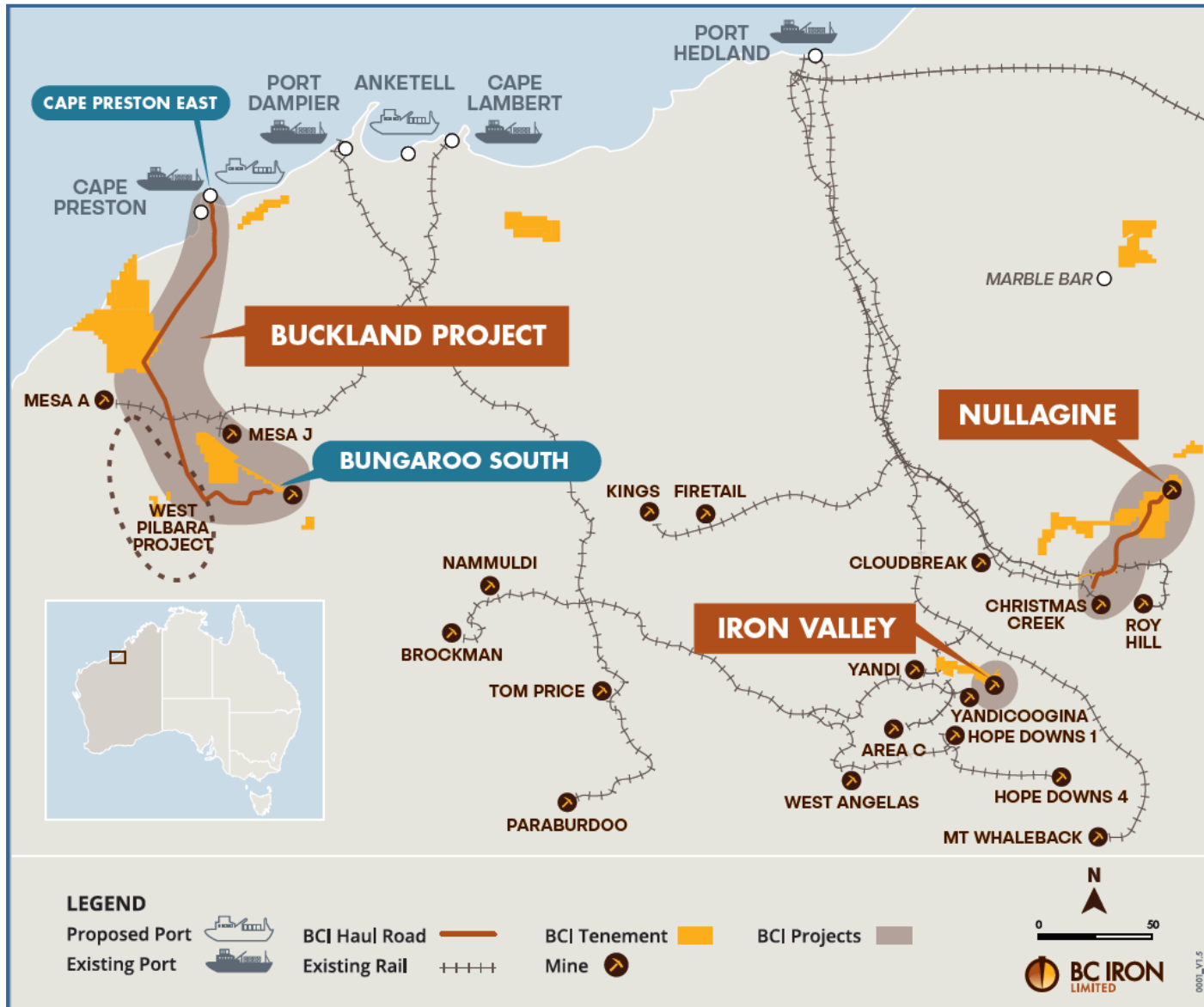
Generate value from multiple assets as a disciplined minerals portfolio manager



# Entitlement Offer

- Successfully completed \$25.5M entitlement offer
- 74% take-up by existing shareholders indicates support for BCI's direction and strategy
- Patersons Securities and Foster Stockbroking underwriting support, with significant sub-underwriting from Wroxby Pty Ltd
- Funds raised will support the following:
  - ❖ Develop and secure robust mine and Cape Preston East solution for Buckland
  - ❖ Potentially secure asset level interest in new project(s)
  - ❖ Strengthen balance sheet to withstand iron ore price fluctuations

# Location of Key Assets

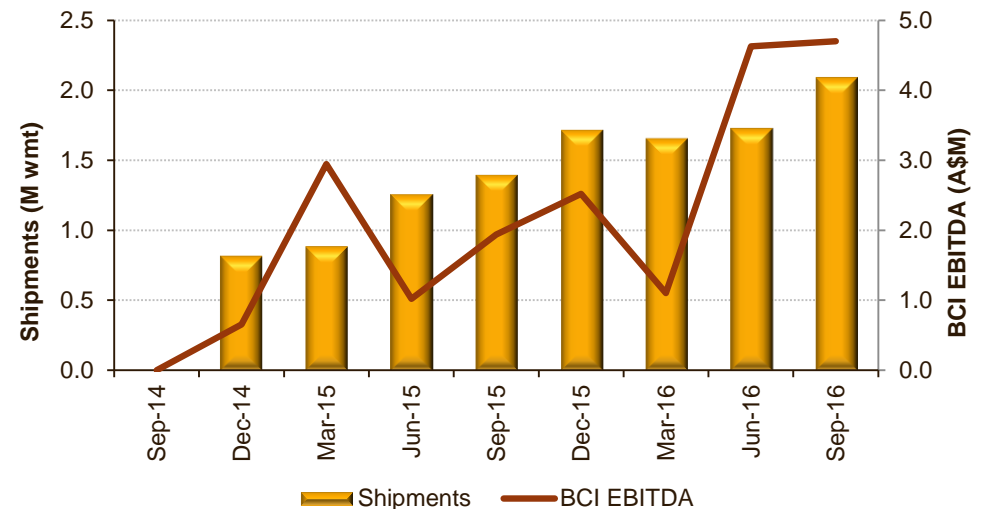




# Iron Valley Overview

## Low-risk BCI earnings from operating mine

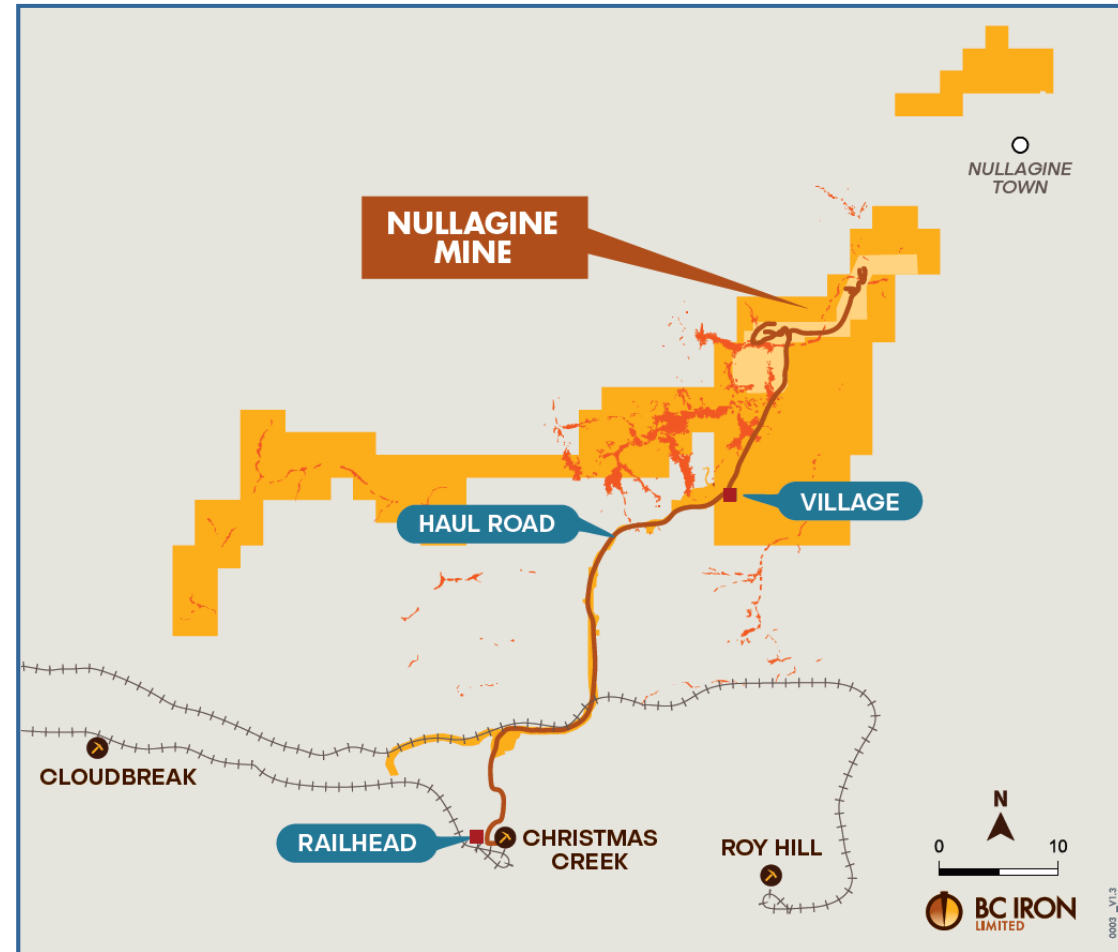
- Royalty-type agreement with Mineral Resources Limited (MIN) providing low-risk cash flows for BCI
- Simple DSO operation and ~50% lump production with a price premium
- Operational / financial targets consistently exceeded
  - ❖ Current production run-rate of >7 Mtpa
  - ❖ > A\$4.5M BCI EBITDA per quarter in last two quarters
- MIN proving exceptional ability for low cost construction and operations



# Nullagine Overview

## 75% Nullagine interest sold to FMG for an ongoing royalty

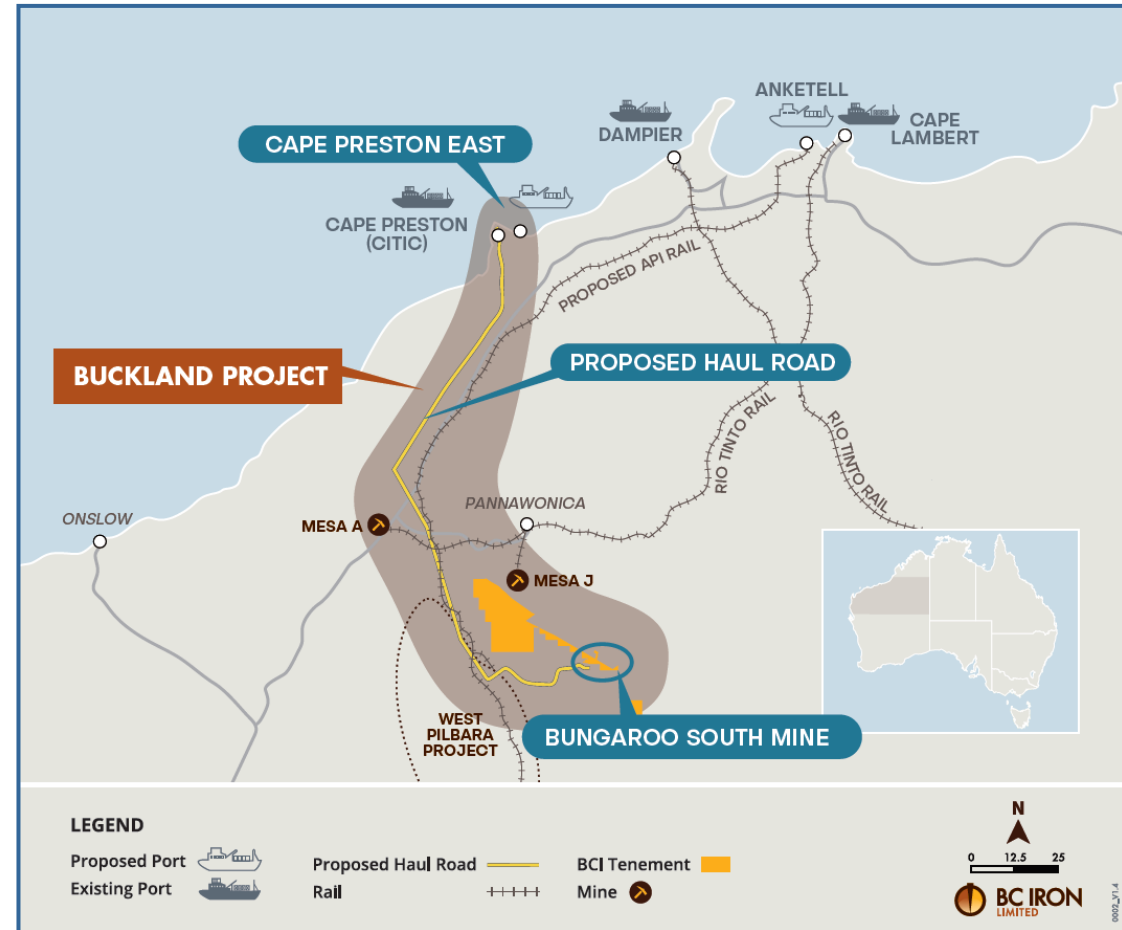
- Binding term sheet to sell BCI's 75% interest in Nullagine and associated assets to FMG
- Completion of the sale will eliminate BCI holding costs and existing liabilities (incl. rehabilitation)
- BCI to receive a royalty on all future ore mined from Nullagine
- Nullagine ore provides blending options for FMG
- Positive progress on transaction completion – although multiple third party consents required



# Buckland Mine-to-Port Project

## Strategic 100% owned mine and port infrastructure project

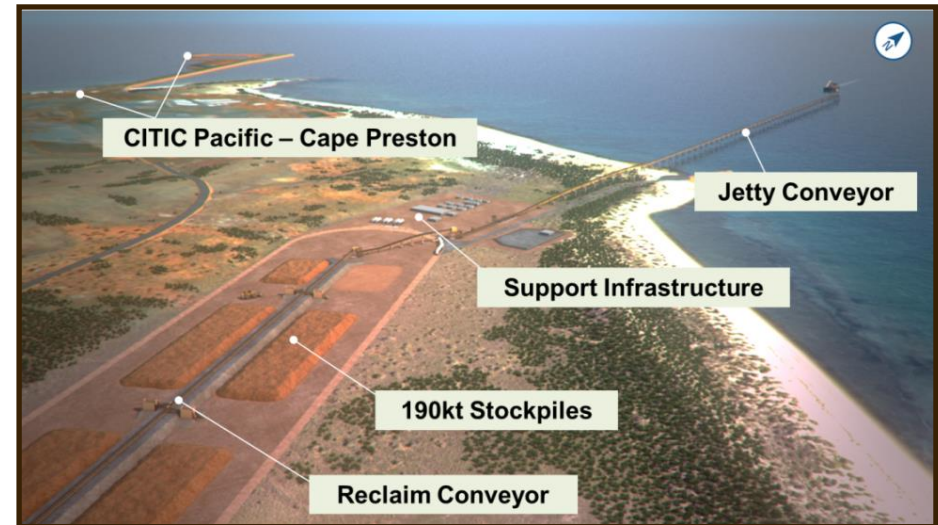
- Proposed 10-20 Mtpa mine at Bungaroo South, private haul road linking the mine with proposed transshipment port at Cape Preston East
- All primary permits and approvals secured for mine, road and port
- Targeting construction-ready status by Q2 CY17
- Discussions with a number of potential partners on a range of development and funding concepts

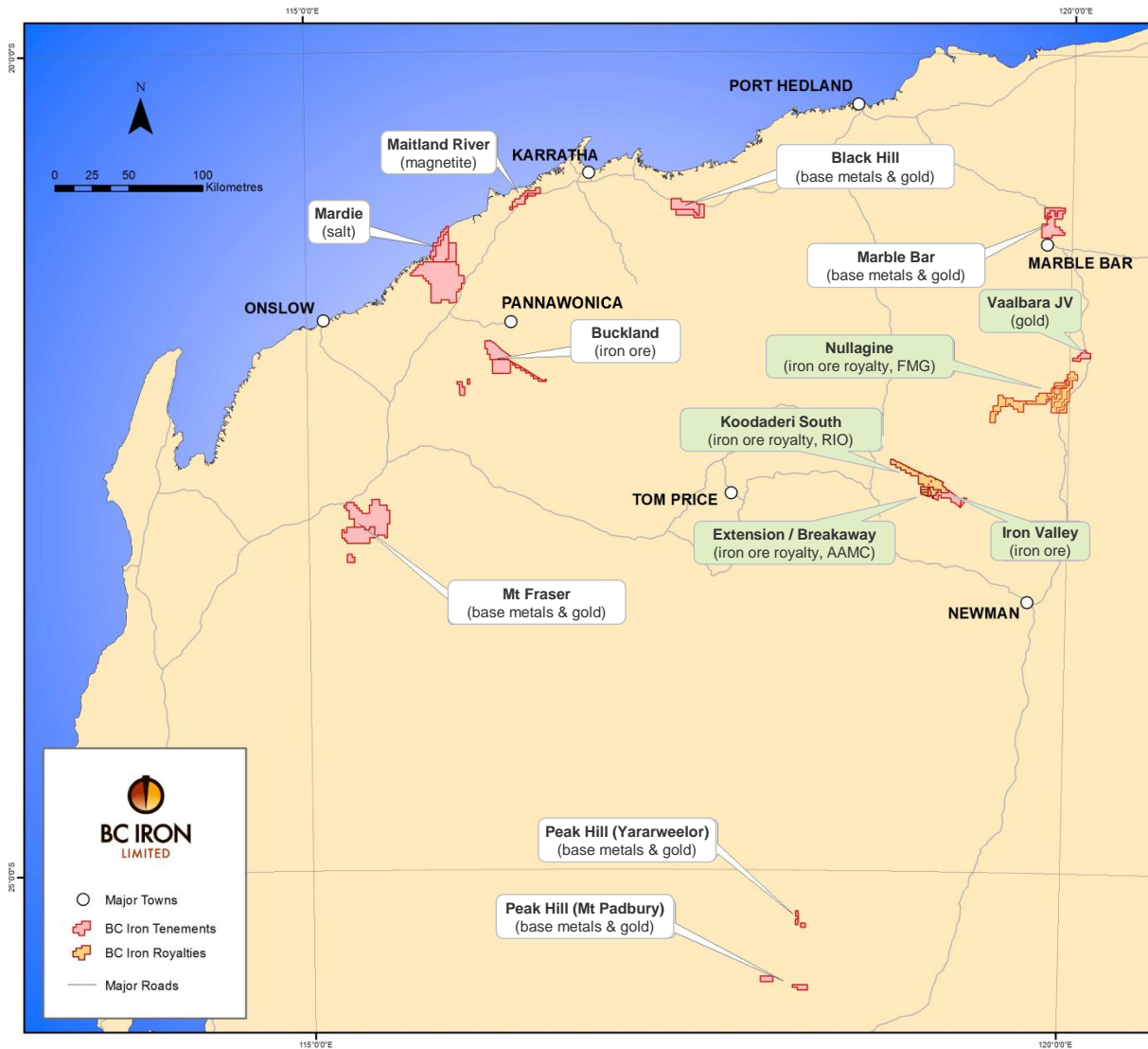


# Cape Preston East Port Overview

## Cape Preston East (CPE) can become a strategic, low capital cost transshipment port

- BCI holds port lease agreements with the Pilbara Ports Authority (“PPA”)
  - ❖ Right to construct and operate onshore & marine facilities of 20Mtpa for an initial term of 20 years
  - ❖ Right to expand leased area and extend term
- Capex of CPE transshipment port <20% of deep water port and with competitive operating cost
- West Pilbara hosts significant undeveloped deposits which could benefit from the CPE port solution





## Royalties & Free-carried Interests (in addition to Iron Valley & Nullagine)

- Koodaideri South (Rio Tinto) – 2% FOB royalty
- Extension / Breakaway<sup>1</sup> (AAMC) – up to 2.5% FOB royalty
- Vaalbara JV (with Creasy Group) – 20% free-carried interest

## Exploration

- Gold & base metals (three project target areas)

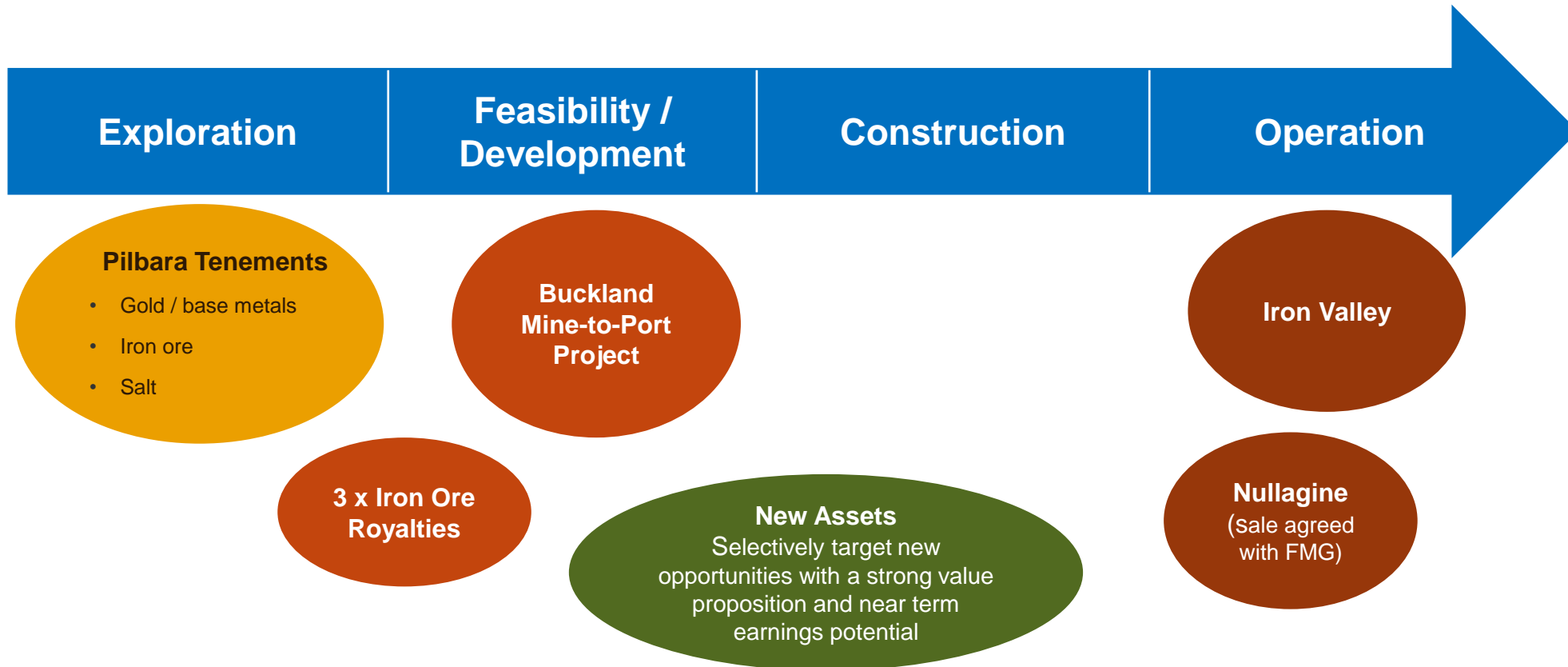
## Concept Study

- Mardie salt
- Maitland River magnetite

1. Breakaway royalty is subject to AAMC exercising its option to acquire the project.

# Assets Across all Phases of Development Pipeline

BCI is differentiated from most other small cap companies



# Summary

- Unique pipeline of operating assets, royalties, development projects and exploration targets
- Clear strategy to become disciplined manager of diversified portfolio of mineral interests – existing and new assets
- Strong balance sheet with only a portion of cash to be utilised for business development
- Focus on value creation within acceptable risk profile
- Support from existing shareholders for new strategy



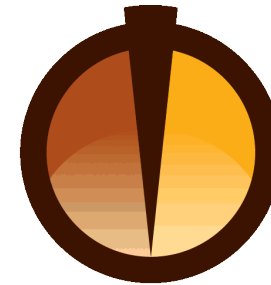
**Iron Valley**



**Nullagine**



**Bungaroo South (Buckland)**



# **BC IRON**

## **LIMITED**

Level 1, 15 Rheola Street  
West Perth, WA, Australia  
Phone : +61 8 6311 3400  
Email : [info@bciron.com.au](mailto:info@bciron.com.au)  
Web : [www.bciron.com.au](http://www.bciron.com.au)