



# **Developing a Diversified Minerals Portfolio**

**Investor Presentation**

**August 2017**

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# Highlights

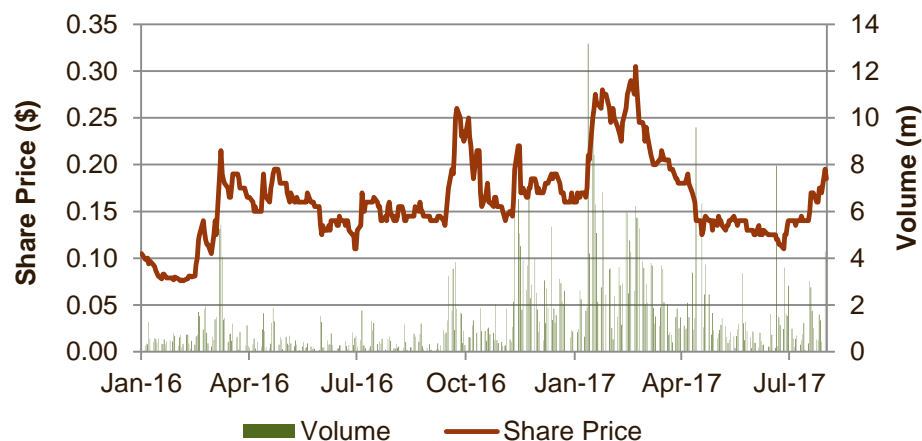
- Maintain iron ore presence – strong existing business
  - Iron Valley Mine – ongoing earnings
  - Buckland Project – increasing development momentum
  
- Clear strategy to diversify to other commodities in Australia
  - Become leading player in the agricultural / industrial minerals sector
  - Create presence in the gold / base metals sector
  
- Solid platform to execute strategy
  - Strong balance sheet including A\$35M net cash at 30 June 2017
  - Returned to profit in 1H FY17
  - Supportive major shareholder

# Corporate Overview

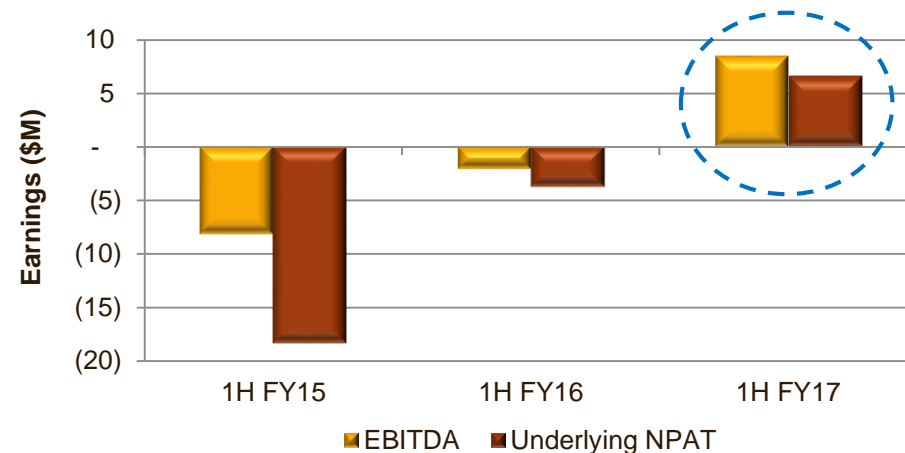
## Capital Structure (7-Aug-17, unless stated)

Ordinary Shares	392.5m
Share Price	\$0.18
<b>Market Capitalisation</b>	<b>\$70.7m</b>
Cash (30-Jun-17)	\$36.4m
Deferred State Royalties	\$1.3m
<b>Enterprise Value</b>	<b>\$35.6m</b>

## Share Price History



## Earnings History



- BCI returned to profit in 1H FY17
- Trading at relatively low EV/EBITDA and P/E earnings multiples

## Major Shareholders

Wroxby Pty Ltd	27.9%
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# Asset Portfolio Targets

## Diversifying the asset portfolio to broaden commodity exposure

### Iron Ore

#### Key Drivers

- Asian infrastructure investment

#### Assets

- Iron Valley – producing
- Buckland – FS stage



### Agricultural & Industrial

- Agric: global food consumption, population growth and declining arable land availability
- Industrial: various drivers

- Mardie Salt – PFS underway
- Carnegie SOP – Scoping Study
- Due diligence on selected other opportunities



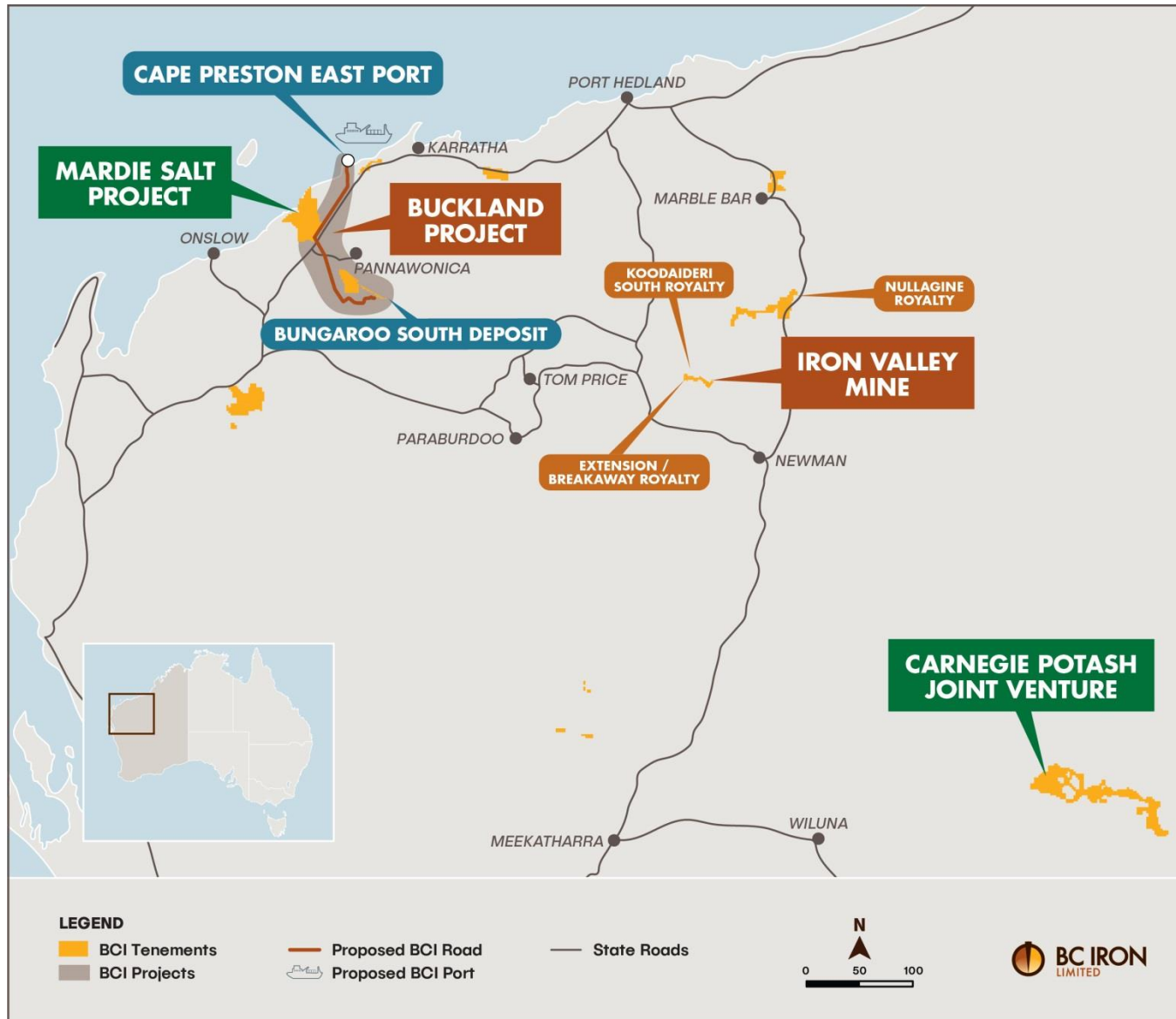
### Gold & Base Metals

- Gold: political / economic factors. Often low correlation with other commodities
- Base metals: various drivers

- Targeting Australian assets with potential for earnings within 2 years and/or strong value upside potential



# Location of Key Projects



# Maintain Presence in Iron Ore

**Iron Valley**



***Current Earnings***

**Buckland**



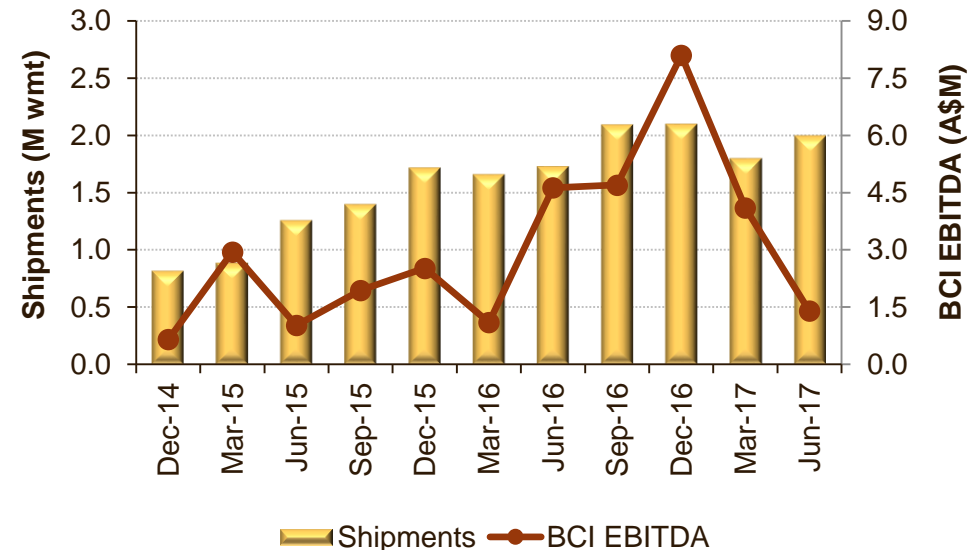
***Growth***

# Iron Valley Mine

- Royalty-type agreement with Mineral Resources Limited (MIN) providing ongoing cash flows for BCI
- Potential mine life of ~15 years @ 8Mtpa
- Simple DSO operation and ~50% lump production with a price premium
- MIN has consistently outperformed production forecasts
- BCI's Jun-17 quarter EBITDA of A\$1.4M impacted by high 58-60% Fe discounts and negative prior quarter adjustment
- FY17 shipments of 8.0Mt and BCI EBITDA of A\$18.3M (within guidance)



### Iron Valley Quarterly Performance








# Buckland Project

- Buckland is a mine, road and port development project in the West Pilbara
- BCI is the foundation proponent and 20 Mtpa lease holder of the Cape Preston East port development
- BCI is planning for Cape Preston East to become a multi-user, multi-commodity port capable of exporting ~15 Mtpa Buckland Blend iron ore; ~3 Mtpa Mardie salt; ~2 Mtpa other products
- All primary permits and approvals secured for mine, road and port – targeting a development decision in FY18
- FY18 focus:
  - Increase Buckland reserves
  - Mine bulk sample and export to China end-users
  - Secure offtake support and funding partnerships



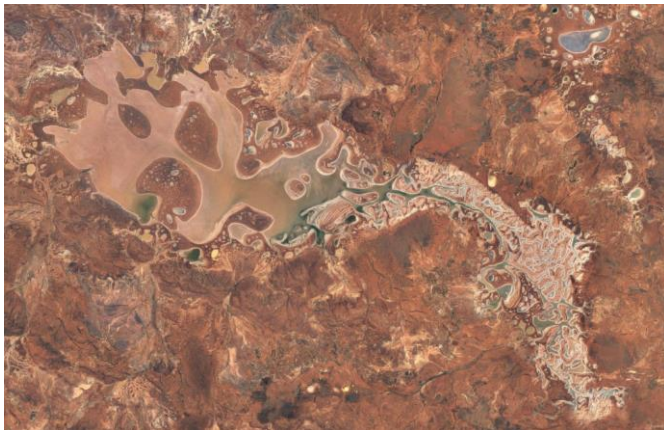
# Other Iron Ore Royalties

BCI has a portfolio of iron ore royalties established through the sale of non-core assets

Project	Owner	Royalty	Status
Nullagine	 The New Force in Iron Ore	➤ Up to 2% FOB revenue	➤ On care & maintenance ➤ Can be restarted rapidly should Fortescue elect to
Koodaideri South		➤ 2% FOB revenue	➤ Adjacent to Rio Tinto's Koodaideri Project
Extension & Breakaway	 AUSTRALIAN ABORIGINAL MINING CORPORATION	➤ Cash payments and up to 2.5% FOB revenue	➤ Project development and funding solution being progressed by AAMC

# Become a Leading Australian Player in Agricultural & Industrial Minerals

**Carnegie**



***Sulphate of Potash***

**Mardie**



***Salt***

# Mardie Salt

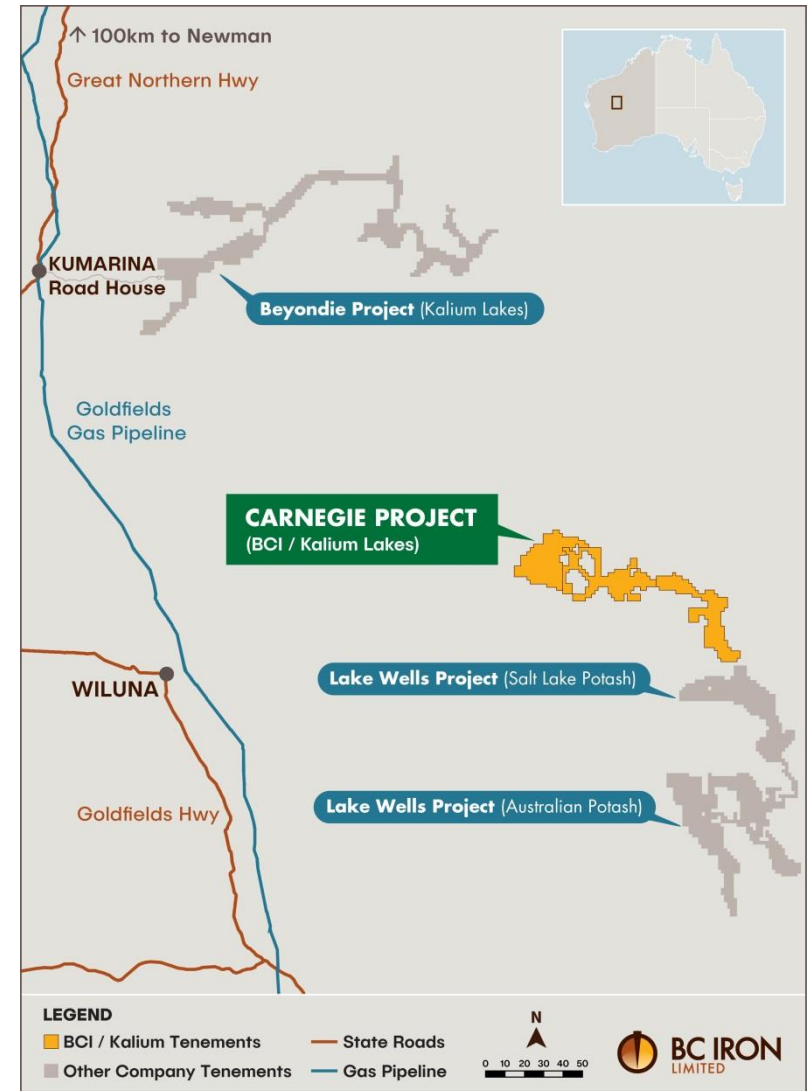
- Located on the Pilbara coast near BCI's proposed Cape Preston East port
- Site geometry allows natural inflow of seawater
- Excellent climate conditions for a solar salt evaporation operation
- Near existing infrastructure (North West Coastal Highway and gas pipelines)
- Positive Scoping Study completed in July 2017<sup>1</sup>
  - Production rate of 3.0-3.5Mtpa of high purity industrial salt
  - Base case of utilising Cape Preston East Port
  - Estimated capex of A\$225-255M and opex of A\$19-21/t FOB
  - Pre-tax NPV<sub>10</sub> of A\$290-380M and pre-tax IRR of 25-27%, based on a 20-year operation
- Pre-Feasibility Study underway – to be completed in FY18



1. Refer to ASX announcement dated 18 July 2017 for further details, including cautionary statements

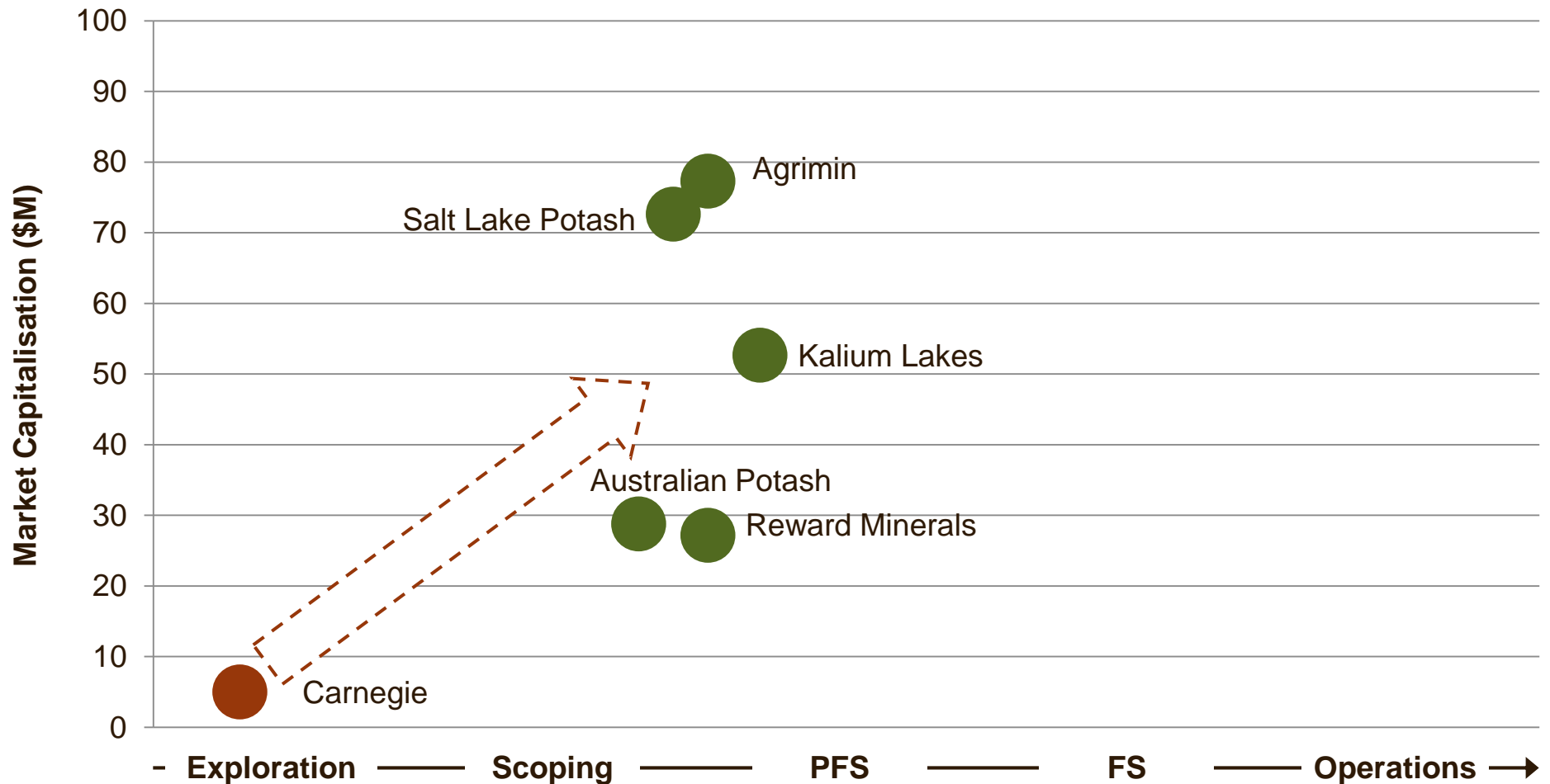
# Carnegie Potash

- Carnegie is a potential large sub-surface brine deposit which could produce sulphate of potash (SOP) via solar evaporation
- BCI's objective is to become a significant player in the emerging Australian SOP industry
- SOP is a high quality potassium-containing fertiliser, with attractive long term demand fundamentals linked to:
  - Increasing global population and food consumption
  - Requirement for higher crops yields due to declining availability of arable land
- BCI has rights to earn up to a 50% interest in a JV with leading potash developer, Kalium Lakes Ltd, who is the JV manager

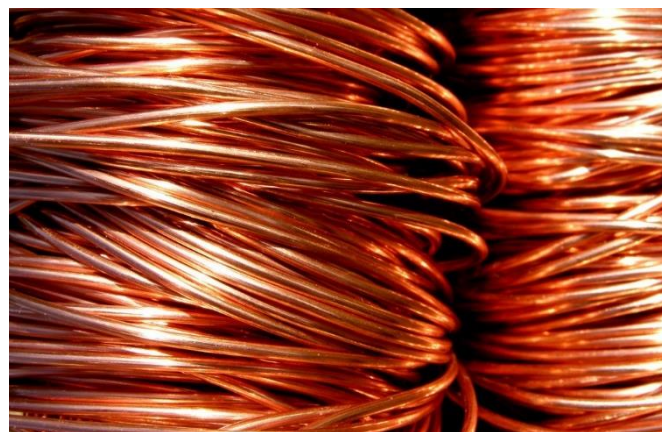


# Australian SOP Peers

The Carnegie Potash Project can contribute significant value to BCI within 2 years as it progresses through the development phases



## Create a Presence in Gold / Base Metals



# Gold / Base Metals Opportunities



- BCI seeking to create a presence in the gold / base metals sector
- Targeting Australian assets with a strong value proposition
- Opportunities being assessed in two broad groups:
  - Advanced assets with the potential for earnings within 2 years to diversify existing iron ore earnings
  - Earlier stage assets with significant exploration upside
- Numerous opportunities have been reviewed in both gold and base metals
- Competitive space and BCI will be active and disciplined



# Summary

- Strong cash position and solid Iron Valley earnings underpin growth strategy
- Committed to current attractive iron ore portfolio, but also diversifying to mitigate commodity risk
- FY18 priorities:
  - Progress Buckland and reach development decision
  - Materially grow BCI's Agric/Industrial business – including Mardie Salt, Carnegie Potash & new opportunities
  - Secure an interest in a gold or base metals project



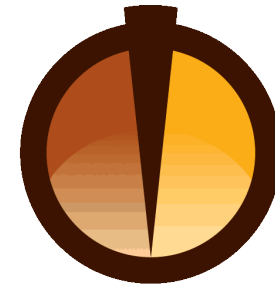
**Iron Valley**



**Bungaroo South (Buckland)**



**Cape Preston East (Buckland)**



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