

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017

- Full-year Net Profit After Tax of \$7.1M and EBITDA of \$9.4M (excluding discontinued operations)
- Iron Valley contributed revenue of \$63.5M and EBITDA of \$18.3M from shipments of 8.0Mt
- Cash balance increased to \$36.4M and debt and royalty obligations reduced to \$1.3M
- BCI progressing its strategy of becoming the manager of a diversified minerals portfolio

BC Iron Limited (ASX:BCI) (“BCI” or “the Company”) is pleased to present its financial results for the year ended 30 June 2017.

BCI recorded a profit after tax for the year ended 30 June 2017 of \$5.7M, which comprised a \$7.1M profit from continuing operations less a \$1.4M loss from discontinued operations (Nullagine, which was sold to Fortescue Metals Group Limited during the year). These results represent a return to profit for BCI on a full-year basis, primarily due to a strong operational performance of Iron Valley, and reduced Nullagine costs and corporate expenditure.

The following table provides a summary of the Company’s statement of profit and loss:

	30 June 2017 \$M	30 June 2016 \$M
Revenue from continuing operations	64.0	40.4
Profit/(loss) after tax from continuing operations	7.1	(43.9)
Loss after tax from discontinued operations	(1.4)	(36.1)
Other comprehensive income/(expense)	-	(2.7)
Total profit/(loss) after tax attributable to members	5.7	(82.7)

BCI’s EBITDA for the year ended 30 June 2017 was \$8.3M, which incorporates a positive EBITDA of \$9.4M from continuing operations and a negative EBITDA of \$1.1M from discontinued operations.

Iron Valley, which is being operated by Mineral Resources Limited (“MIN”), delivered a record full-year contribution to EBITDA as a result of strong operational performance and increased iron ore prices during the year. MIN shipped 8.0 million wet metric tonnes (“Mt”), which generated revenue for BCI of \$63.5M and EBITDA of \$18.3M.

The following table shows the EBITDA contribution for each segment of the Group:

	30 June 2017 \$M	30 June 2016 \$M
Iron Valley	18.3	10.2
Buckland	(1.6)	(1.9)
Other	(7.3)	(4.4)
EBITDA from continuing operations	9.4	3.9
EBITDA from discontinued operations	(1.1)	(11.5)
Total EBITDA	8.3	(7.6)

BCI's balance sheet position strengthened during the year, with a significant increase in cash and a reduction in debt and royalty obligations. Cash and cash equivalents as at 30 June 2017 increased to \$36.4M (30 June 2016: \$9.5M), primarily due to the successful completion of an entitlement offer, which raised \$24.2M after costs, and strong Iron Valley cash flows. In addition, BCI reduced its gross debt position to nil (30 June 2016: \$2.0M) and repaid \$5.2M in deferred Nullagine royalties to the State Government of Western Australia. The remaining balance of \$1.3M will be repaid in September 2017.

The Directors have not paid or declared any dividends in the year ended 30 June 2017.

Commenting on the financial results, BCI's Managing Director, Alwyn Vorster, said: *"BCI has delivered a solid financial result to return to profit on a full-year basis. This outcome was supported by a strong contribution from BCI's Iron Valley royalty stream, which benefited from record production and higher than anticipated iron ore pricing during the year."*

"From an operational and corporate perspective, the 2017 financial year was a year of evolution for BCI. The company is positioning itself as a diversified minerals company and has made good progress in executing this strategy. BCI is building momentum at its Buckland iron ore and port development project and has created a presence in agricultural and industrial minerals space, where BCI plans to become a leading Australian player. BCI also continues to assess Australian gold and base metals opportunities."

"BCI is well positioned to drive this strategy forward, with a strong balance sheet, ongoing earnings from Iron Valley and a supportive shareholder base as evidenced by the successful entitlement offer completed during the year."

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ABOUT BCI

BCI is an ASX-listed resources company that is managing a portfolio of iron ore and other mineral interests.

Iron ore is the Company's core focus, with the key assets of Iron Valley and Buckland providing a complimentary mix of existing earnings and growth potential.

Iron Valley is an iron ore mine located in the Central Pilbara, which is operated by Mineral Resources Limited (ASX: MIN) and is generating low risk royalty earnings for the Company.

Buckland is a strategic iron ore development project located in the West Pilbara region, comprising a proposed mine at Bungaroo South and a proposed infrastructure solution incorporating a haul road and transshipment port at Cape Preston East.

The Company's iron ore portfolio also includes potential royalties over the Nullagine, Koodaideri South and Extension tenements.

BCI is establishing an agricultural and industrial minerals business, which currently includes a joint venture over the Carnegie Potash Project with Kalium Lakes Limited (ASX: KLL) and the 100%-owned Mardie Salt Project.

BCI is also seeking to build a strong gold and/or base metals business, primarily targeting project level interests in Australian assets with near-term earnings potential.

KEY STATISTICS

Shares on issue:	392.5 million	
Cash and cash equivalents:	\$36.4 million	as at 30 June 2017
Board:	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Michael Blakiston	Non-Executive Director
	Jenny Bloom	Non-Executive Director
	Martin Bryant	Non-Executive Director
	Andy Haslam	Non-Executive Director
Major shareholders:	Wroxby Pty Ltd	27.9%

Website: www.bciron.com.au