ASX Release
23 January 2018

INITIAL KUMINA DRILLING CONFIRMS IRON ORE POTENTIAL

- **Kumina iron ore deposits to become part of the Buckland Project**
- **Multiple targets have been identified for exploration during 2018**
- **Phase 1 drilling programme of 67 holes completed at the Kumina A deposit**
- **Assays results received for the first 42 holes confirm the presence of significant iron ore mineralisation at shallow depth. Best intercepts include:**
  - **38m at 58.3% Fe from surface in hole KRC0023**
  - **30m at 58.9% Fe from surface in hole KRC0025**
  - **30m at 58.6% Fe from surface in hole KRC0029**
  - **28m at 59.8% Fe from surface in hole KRC0022**
  - **28m at 59.2% Fe from surface in hole KRC0031**
  - **22m at 61.0% Fe from surface in hole KRC0027**
- **Maiden Mineral Resource estimate at the Kumina A deposit and other targets planned for Q2 2018**

BCI Minerals Limited (ASX: BCI) ("BCI" or the "Company") is pleased to report positive initial drilling results from the Kumina tenements.

Commenting on the results, BCI Managing Director, Alwyn Vorster, said: "*BCI identified Kumina as a large, under-explored tenement package and successfully acquired it from Mineralogy in 2017. We are encouraged by exploration work to date, which is supporting the view that Kumina potentially hosts iron ore deposits that can increase the tonnage available to the Buckland Project and improve its development case.*"

Overview of the Kumina Tenements

The Kumina tenements comprise three granted exploration licences covering an area of approximately 480 km^2 located approximately 50km north-east of BCI's Bungaroo South Deposit. The Kumina tenements contain Hamersley group sediments including the Brockman Iron Formation, which hosts a number of operating iron ore mines in the Pilbara. Minimal previous exploration has been conducted on the tenements.

Iron ore deposits discovered on the Kumina tenements are intended to become part of BCI's Buckland Project, where the Company is targeting a 15Mtpa operation for 15 years from Bungaroo South, Kumina and other deposits for export through BCI's proposed Cape Preston East Port (refer to Figure 1 below).

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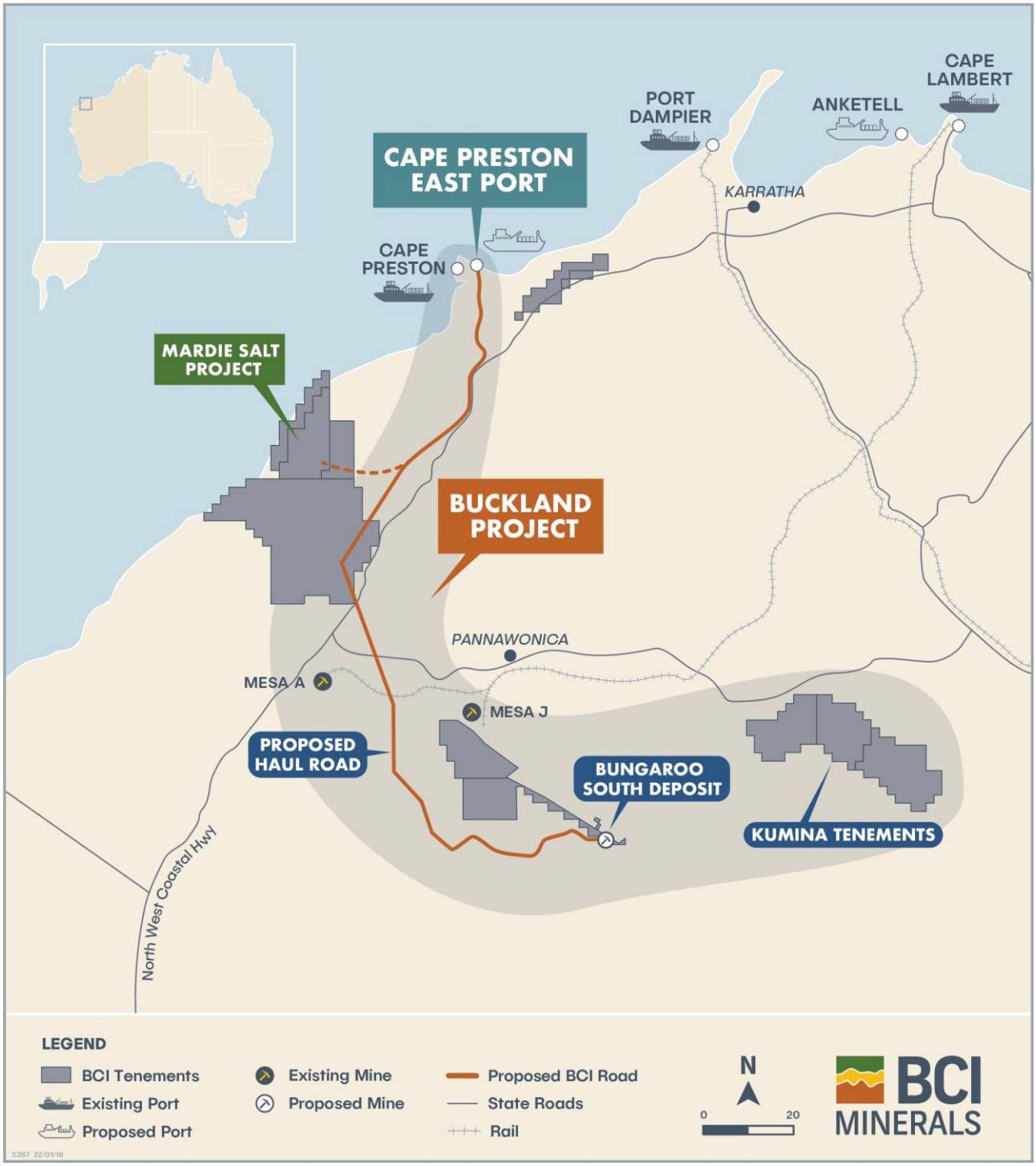
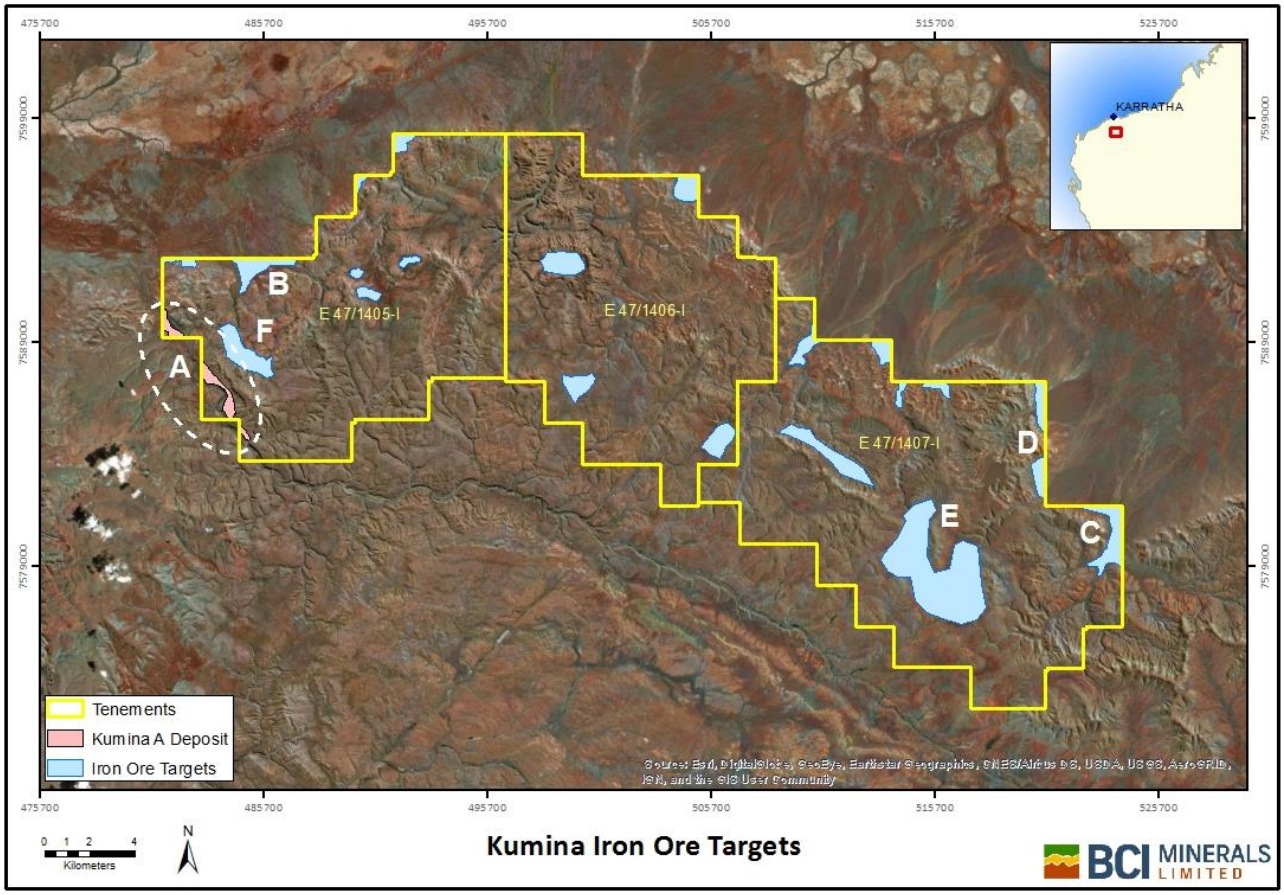
Figure 1: Location of the Buckland Project



BCI has identified the Kumina A deposit, a channel iron deposit ("CID") on the western margin of the tenement package which is contiguous with existing iron ore deposits owned by third parties. BCI has also undertaken an iron ore target generation exercise on the broader Kumina tenement package. More than five additional iron ore targets have been identified (refer to Figure 2 below), which have the potential to host CID, bedded iron deposits ("BID") and detrital iron deposits ("DID"). BCI plans to actively explore these targets during 2018 and a maiden Mineral Resource estimate is planned to be completed during Q2 2018.

The Kumina tenements may also be prospective for other minerals, including diamonds. BCI will over the next year complete high-level exploration mapping and a geophysics programme to generate potential targets.

Figure 2: Kumina A Deposit and Other Iron Ore Targets



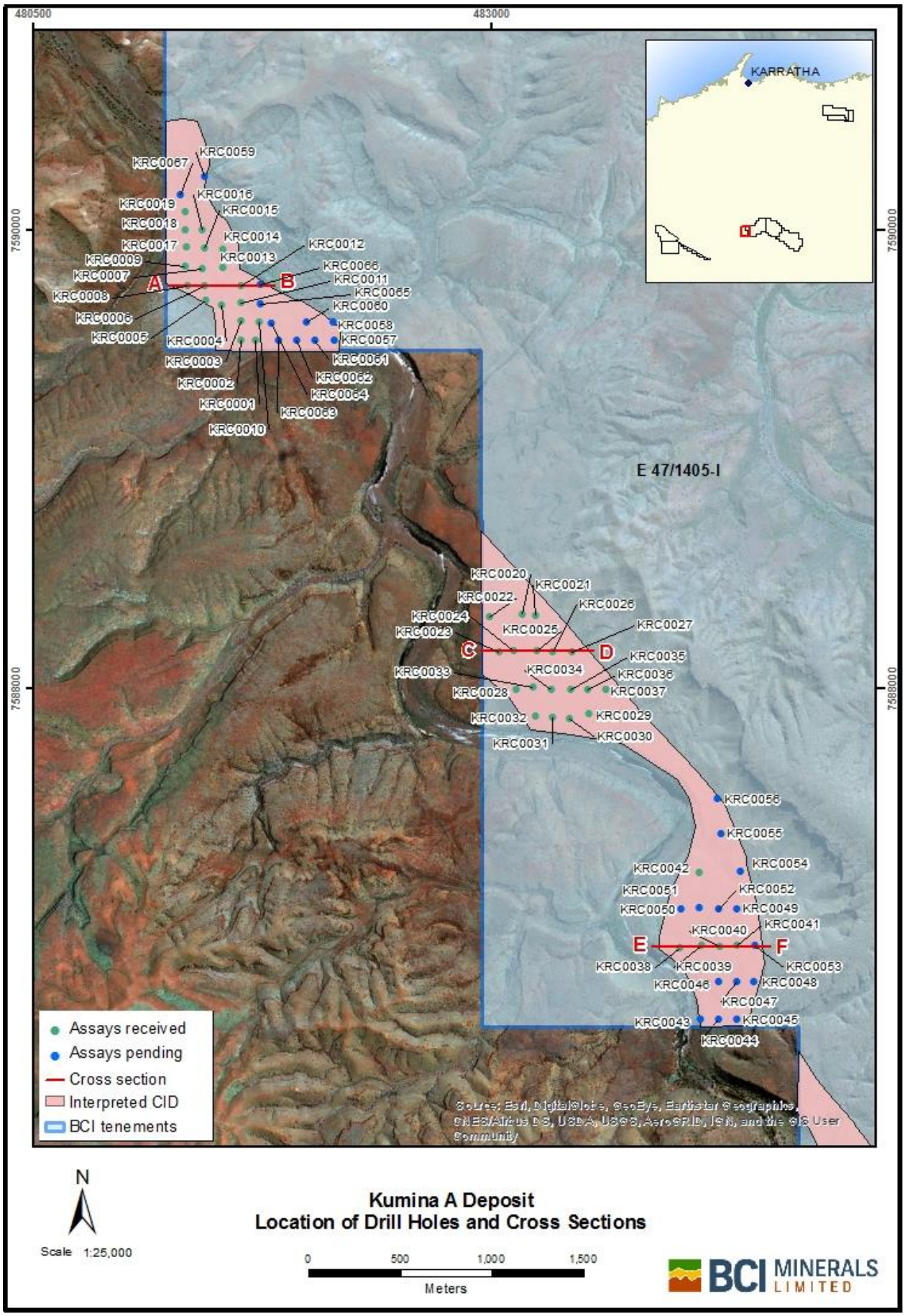
Note: size of targets depicted in Figure 2 are for presentation purposes and are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the discovery of iron ore mineralisation or the estimation of a Mineral Resource.

Results from Initial Kumina A Drilling

BCI recently completed a phase 1 reverse circulation ("RC") drilling programme on the Kumina A deposit. The programme comprised 67 vertical holes for a total 2,912m drilled, with 1,456 samples at 2m sample intervals submitted for assay. Drilling occurred on 100m to 200m north-south line spacings with holes nominally spaced at 100m intervals along the lines (refer to Figure 3 below for drill hole locations).

Assay results have been received for the first 42 holes drilled (1,048 samples) and confirm the presence of significant iron ore mineralisation (refer to Table 1 in Appendix 1 for assay results). 39 of the 42 holes recorded intercepts with an iron ore grade of greater than 54% Fe and impurity levels appear to be complementary to BCI's Bungaroo South deposit. In particular, phosphorus levels are low with the majority of significant intercepts having 0.10% P or less.

Figure 3: Location of Kumina A Deposit Drill Holes and Cross Sections



Best results were received from the 18 holes drilled in the central area of Kumina A (KRC0020 to KRC0037) where 15 holes recorded intercepts of greater than 14m above the cut-off grade of 54% Fe. The best intercepts from the central area include:

- 38m at 58.3% Fe from surface in hole KRC0023;
- 30m at 58.9% Fe from surface in hole KRC0025;
- 30m at 58.6% Fe from surface in hole KRC0029;
- 28m at 59.8% Fe from surface in hole KRC0022;
- 28m at 59.2% Fe from surface in hole KRC0031; and
- 22m at 61.0% Fe from surface in hole KRC0027.

Significant intercepts were also recorded in the northern and southern areas of Kumina A, where assays are also pending from an additional 25 drill holes. Best results from the northern area include:

- 18m at 58.4% Fe from 2m in hole KRC0010;
- 14m at 59.5% Fe from 8m in hole KRC0004; and
- 16m at 56.6% Fe from surface in hole KRC0008.

Best results from the southern area include:

- 22m at 56.8% Fe from surface in hole KRC0042; and
- 14m at 58.1% Fe from surface and 22m at 55.0% Fe from 16m in hole KRC0039.

Cross sections for each area are shown in Figures 4-6 below, with cross section locations shown in Figure 3.

Figure 4: Cross Section from the Central Area of the Kumina A Deposit

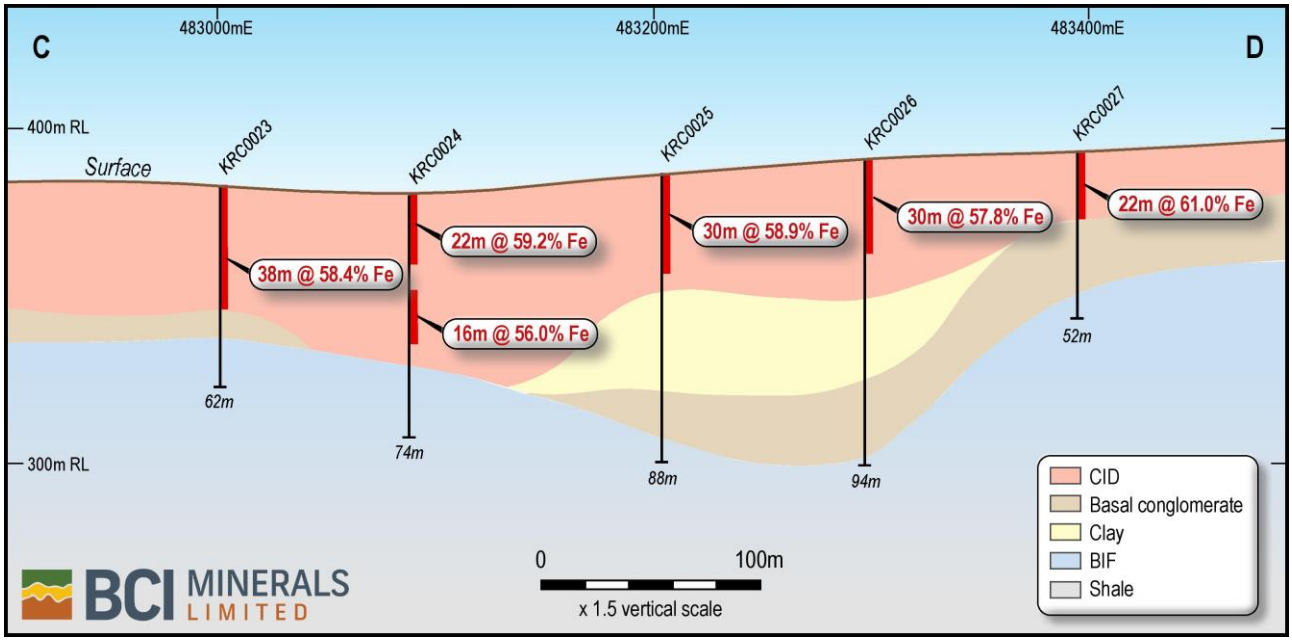


Figure 5: Cross Section from the Northern Area of the Kumina A Deposit

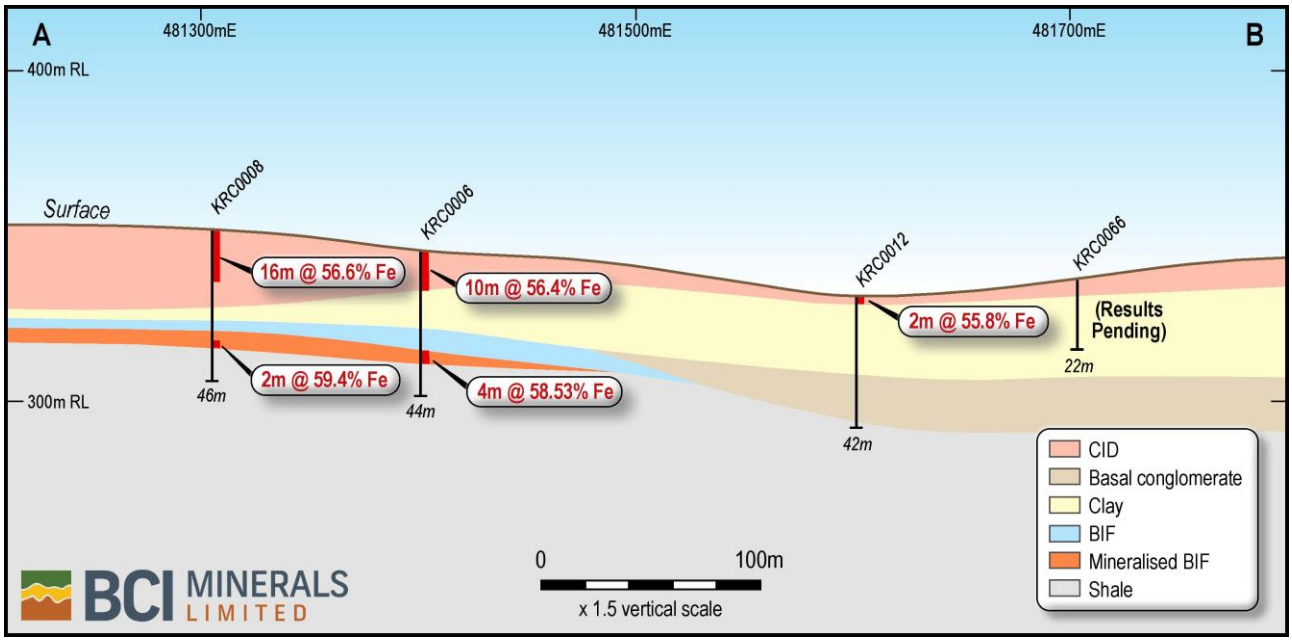
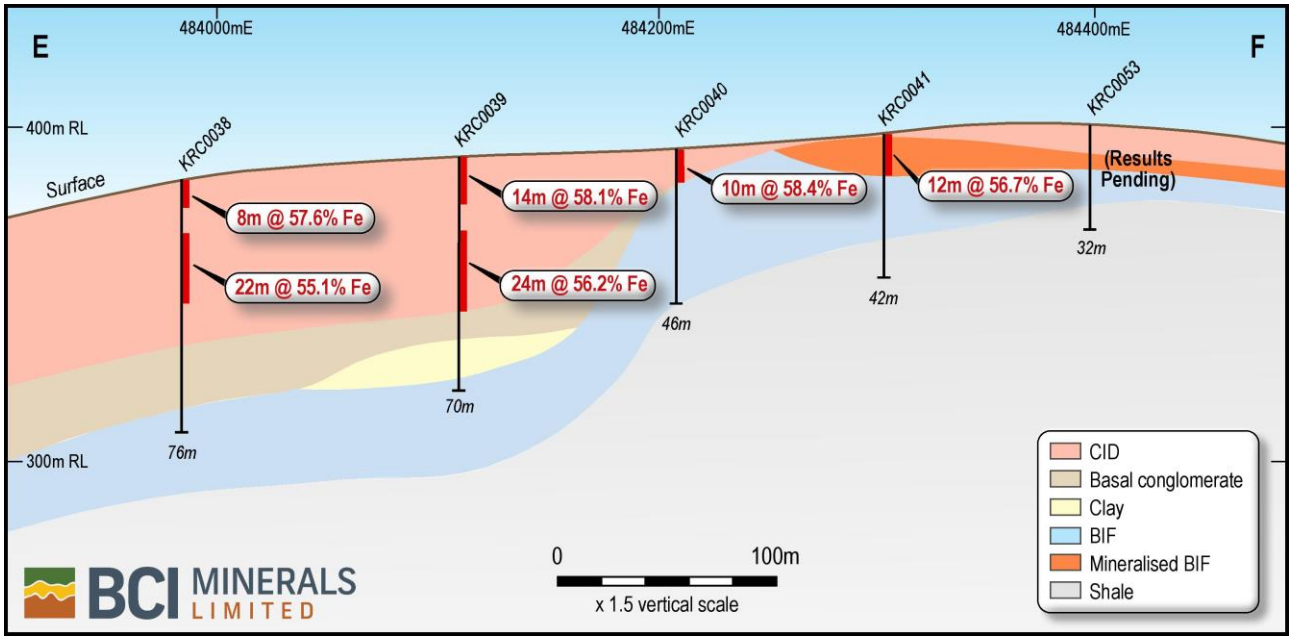


Figure 6: Cross Section from the Southern Area of the Kumina A Deposit



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ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("BCI") is an Australian-based resources company that is creating value from its attractive portfolio of mineral interests through discovery, de-risking and transactions. BCI's portfolio currently includes interests in iron ore, salt, potash and gold projects.

Iron Valley is an operating iron ore mine located in the Central Pilbara region of Western Australia, which is operated by Mineral Resources Limited (ASX:MIN). Iron Valley is generating quarterly royalty earnings for BCI (A$18.3M EBITDA in FY17).

BCI is currently focused on advancing two 100% owned projects, Buckland Iron Ore and Mardie Salt, which are both proposed to export product through BCI's planned 20Mtpa Cape Preston East Port facility.

Buckland is an iron ore development project located in the West Pilbara region of Western Australia, comprising proposed mines at Bungaroo South, Kumina and other deposits. BCI is currently progressing an Integration Study on a 15Mtpa operation and plans to involve development and offtake partners in a joint venture structure.

Mardie is a salt project located on the West Pilbara coast in the center of Australia's salt production region. BCI has completed a positive Scoping Study on a solar evaporation operation producing 3.0-3.5Mtpa salt and a Pre-Feasibility Study is due for completion in the first half of 2018.

In addition to these focus projects, BCI is a joint venture partner of Kalium Lakes Limited (ASX:KLL) in the Carnegie Potash Project, which is currently at a Scoping Study stage.

BCI is progressing gold and base metals exploration on its 100% owned Marble Bar, Black Hills and Peak Hill tenements in Western Australia.

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

KEY STATISTICS

Shares on issue:	395.0 million	
Cash and cash equivalents:	$23.6 million	as at 30 September 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	27.7%
Website:	www.bciminerals.com.au	

APPENDIX 1

Table 1: Kumina A Deposit - Drill Hole Details and Significant Intercepts

Hole Details					Significant Intercepts						
Hole ID	Northing	Easting	RL (m)	Depth (m)	Thickness (m)	From (m)	To (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
KRC0001	7589507	481673	341	48	2	14	16	59.3	6.6	1.5	0.14
KRC0002	7589496	481597	348	22	No significant intercepts						
KRC0003	7589602	481600	341	34	2	26	28	54.2	9.4	2.1	0.18
KRC0004	7589693	481494	350	46	14	8	22	59.5	5.4	1.8	0.10
KRC0005	7589700	481404	357	38	4	0	4	55.5	7.7	3.4	0.07
					2	8	10	54.2	14.2	1.5	0.08
KRC0006	7589800	481401	344	44	10	2	12	56.4	7.6	2.3	0.10
					4	30	34	58.5	4.9	1.8	0.15
KRC0007	7589890	481396	340	46	4	0	4	56.1	6.4	2.9	0.09
					6	10	16	55.6	8.8	2.4	0.11
KRC0008	7589796	481304	353	46	16	0	16	56.6	9.9	1.7	0.08
					2	20	22	58.1	8.2	1.3	0.12
					2	34	36	59.4	4.1	2.5	0.17
KRC0009	7589900	481297	342	46	6	0	6	53.9	9.4	3.2	0.09
KRC0010	7589600	481699	331	40	18	2	20	58.4	9.8	1.3	0.12
KRC0011	7589702	481600	330	40	2	20	22	56.1	12.2	1.1	0.17
KRC0012	7589801	481597	330	42	2	2	4	55.8	8.4	2.3	0.11
KRC0013	7589896	481499	329	40	No significant intercepts						
KRC0014	7589996	481501	327	22	No significant intercepts						
KRC0015	7590002	481398	335	44	2	0	2	56.6	5.9	3.5	0.09
					2	8	10	57.2	7.2	2.0	0.15
					2	28	30	55.1	13.5	1.4	0.14
KRC0016	7590096	481387	332	40	10	4	14	56.8	5.2	2.7	0.15
KRC0017	7590007	481299	338	48	2	8	10	54.2	10.2	2.3	0.11
KRC0018	7590103	481298	338	44	12	6	18	56.2	8.3	2.1	0.12
KRC0019	7590203	481295	334	46	12	0	12	55.7	9.8	1.9	0.10
KRC0020	7588003	483133	387	58	4	2	6	61.1	5.7	2.3	0.07
KRC0021	7587998	483203	390	46	2	2	4	54.5	10.8	2.8	0.07
KRC0022	7587996	482955	383	52	28	0	28	59.8	3.3	2.5	0.10
KRC0023	7587800	483001	387	62	38	0	38	58.3	4.5	2.8	0.10
KRC0024	7587801	483086	381	74	22	0	22	59.2	4.1	2.5	0.08
					16	30	46	56.0	6.4	2.9	0.20
KRC0025	7587806	483203	389	88	30	0	30	58.9	4.8	2.5	0.08

Hole Details					Significant Intercepts						
Hole ID	Northing	Easting	RL (m)	Depth (m)	Thickness (m)	From (m)	To (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
KRC0026	7587801	483296	391	94	30	0	30	57.8	5.3	3.1	0.08
					8	36	44	55.6	8.4	2.9	0.15
KRC0027	7587804	483394	394	52	22	0	22	61.0	3.2	3.7	0.07
KRC0028	7587594	483099	386	46	6	0	6	57.7	7.4	2.9	0.04
KRC0029	7587462	483494	394	52	30	0	30	58.6	5.1	2.5	0.08
					6	46	52	56.5	6.7	2.6	0.15
KRC0030	7587452	483390	392	58	28	0	28	58.5	5.0	2.7	0.08
					2	32	34	57.4	6.3	2.8	0.12
KRC0031	7587449	483295	391	58	28	0	28	59.2	4.1	2.5	0.08
					8	36	44	56.0	6.2	3.6	0.20
KRC0032	7587453	483204	388	40	14	0	14	59.4	4.2	2.6	0.05
KRC0033	7587597	483193	389	34	22	0	22	56.8	6.9	2.6	0.05
KRC0034	7587598	483294	391	64	28	0	28	58.1	5.7	2.4	0.06
KRC0035	7587597	483399	393	64	30	0	30	57.6	6.1	2.9	0.07
					2	48	50	54.6	12.7	3.0	0.15
KRC0036	7587598	483490	396	40	14	2	16	58.2	5.4	3.5	0.05
KRC0037	7587598	483587	398	40	14	0	14	58.7	4.3	4.4	0.08
KRC0038	7586191	483984	387	76	8	0	8	57.6	4.4	3.5	0.07
					22	16	38	55.0	8.7	2.7	0.14
					2	48	50	55.3	9.5	2.3	0.12
KRC0039	7586201	484110	394	70	14	0	14	58.1	5.7	2.1	0.06
					24	22	46	56.2	7.0	3.0	0.15
KRC0040	7586197	484209	396	46	10	0	10	58.4	6.1	2.1	0.04
KRC0041	7586202	484303	401	42	12	0	12	56.7	5.7	3.9	0.07
KRC0042	7586598	484100	392	64	22	0	22	56.8	6.4	2.6	0.08
					6	26	32	55.6	6.9	3.3	0.16
					2	36	38	56.0	7.3	3.2	0.16

APPENDIX 2: COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results at the Kumina A Deposit is based on, and fairly represents, information which has been compiled by Mr Ian Shackleton, who is a Member of the Australasian Institute of Geoscientists and a full-time employee of BCI Minerals Limited. Mr Shackleton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shackleton consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

APPENDIX 3: JORC CODE, 2012 EDITION – TABLE 1 REPORT

Section 1 – Sampling Techniques and Data

(Criteria In this section apply to all following sections.)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation ("RC") drilling chips collected via cone splitter by Foraco Australia. • One 4kg (average) sample taken for each 2m sample length and collected in pre-numbered calico bags. • Quality of sampling continuously monitored by field geologist during drilling. • A sample mass of 4kg (average) was sent to the laboratory where it was dried, crushed and pulverised (total preparation) to produce a sub sample for analysis by X-ray fluorescence spectroscopy ("XRF") and total Loss on Ignition ("LOI") by Thermo-Gravimetric Analysis ("TGA"). • To monitor the representivity of the samples collected, 1 duplicate was taken for every 50 samples (1:50). • Sampling carried out under BCI protocols and QAQC procedures as per industry best practices.
Drilling Techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling employing a 142mm diameter face sampling hammer with all holes drilled vertically (-90 degrees).

Criteria	JORC Code Explanation	Commentary
Drill Sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC sample recovery is recorded by the field geologist and is based on how much of the sample is returned from the cone splitter. This is recorded as very good (90%), good (80%), Moderate (50%), Poor (25%), Very poor (10%). • The condition of the sample recovered from the drilling process was also recorded as either dry, moist, wet or saturated. • To ensure maximum sample recovery and representivity, the field geologist is present during drilling and monitors the sampling process. Any issues are immediately rectified. • There were no significant sample recovery issues encountered during the drilling programme. • No twin RC or diamond drill holes have been completed to assess sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging was completed for every 2m interval corresponding with the 2m sample interval using BCI Standard Logging Procedures. This level of detail supports appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Geophysical down-hole data was not collected from the drill holes as geological information was recorded from the logging.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Sampling Technique:** • RC chip samples of approximately 4kg are collected via a cone splitter for each 2m interval drilled in a pre-numbered calico bag. Samples are kept dry where possible. • The sample sizes are appropriate to correctly represent the mineralisation based on the style of mineralisation (Channel Iron Deposit), the thickness and consistency of intersections, the sampling methodology and percent value assay ranges for the primary elements. **Sample Preparation:** • Sample dried at 105ºC for 24 hrs. • Crushed to nominal -3mm. • Pulverised to 95% passing at 105µm. **Quality Control Procedure:** • Duplicate sample: 1 every 50 samples (1:50). • Certified Reference Material assay standards inserted: 1 every 50 samples (1:50). • Overall QAQC insertion rate of 1:25. • Laboratory duplicates are taken where large samples required splitting down. • Laboratory repeats are taken, and standards inserted at predetermined levels by the laboratory.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were submitted to Bureau Veritas Laboratory in Perth and were assayed for the iron ore suite (14 elements) by XRF and LOI by TGA. • Laboratory procedures are in line with industry standards and appropriate for iron ore deposits. • Samples are dried at 105ºC for 24 hrs before being crushed using a Boyd crusher to a nominal -3mm size, then pulverised to 95% passing 105 micron using a LM2 mill. Sub samples are collected to produce a 0.67-0.69g sample that is dried further, fused at 105ºC for 60 minutes, poured into a platinum mould and placed into the XRF machine for analyses and reporting. • Certified Reference Material assay standards and field duplicates are used for quality control. • There were no discernible issues with sample representivity and all duplicates samples for the significant intersections reported were within 10% of the original sample value. • Certified Reference Material assay standards having a good range of values, were inserted at pre-defined intervals by BCI and randomly by the laboratory at set levels. Results highlight that sample assay values are within acceptable accuracy and precision ranges.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections have been independently verified by alternative company personnel. • The Competent Person has visited site and inspected the sampling process in the field. • Primary data is captured on a field Toughbook laptop computer using LogChief software. The software has validation routines to minimise data entry errors. • All data is sent to Perth and stored in a secure, centralised Datashed database. • No adjustments or calibrations were made to any data used in the announcement.

Criteria	JORC Code Explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars were surveyed by Land Surveys using a Leica GS15 GPS Antennas as a Base Station and a Real Time Kinematic ("RTK") Rover. • Elevations are in AHD RL with an expected accuracy of +/- 20mm for the vertical and +/-10mm for the horizontal position using this equipment. • Down hole surveys were attempted using a Reflex EZ-Trac™ instrument to record the azimuth and declination of the hole. The tool was used primarily to confirm the verticality of the hole as magnetic lithologies impacted the azimuth. The instrument confirmed that all holes were all within 1-2º of vertical. • The survey co-ordinates are projection MGA_GDA 94 Zone 50. • Surface topography is not applicable as the information is not at this stage being used in a Mineral Resource estimate.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing on an approximate 100m (N-S) and 100m (E-W) in the northern area and 200m (N-S) and 100m (E-W) grid in the central and southern areas. • The drill spacing is considered sufficient to establish the degree of geological and grade continuity applied under the 2012 JORC code. • All samples were collected at 2m interval and there has been no subsequent compositing of samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are spatially arranged across the mapped CID. • The CID is interpreted to be generally flat-lying and the vertical orientation of the drilling is designed to give an orthogonal intersection of the CID. • As such the orientation of drilling and samples collected is not considered to have introduced a sampling bias.

Criteria	JORC Code Explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Samples are packed into sealed plastic bags and then placed inside sealed Bulka bags. The samples are then delivered to a despatch point in Karratha by employees of BCI. • The samples are then transported to Perth using a third-party freight company and delivered to the laboratory (Bureau Veritas). • Once received at the laboratory, samples are stored in a secure yard until analysed. • The laboratory receipts the samples against sample dispatch/submission documents and issues a reconciliation report for every sample dispatch.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling techniques are reviewed by company geologists on a regular basis to ensure best practise techniques are implemented.

Section 2 – Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
General tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Results reported are completely within E47/1405. • E47/1405 is held by BC Pilbara Iron Ore Pty Ltd, which is a 100% owned subsidiary of BCI. The tenement was granted on 20/10/2008 for a period of 10 years. BCI plans to apply for an extension of term prior to expiry of the tenement and anticipates there will be no impediments to this being granted. • The tenement is situated within the Kuruma and Marthudunera Native Title Claim (WC 1999/12) and Yindjibarndi Aboriginal Corporation (WR 2017/001). • The tenement is current and in good standing with all statutory commitments being met as and when required. • There are no known impediments to obtaining a licence to operate pending the normal approvals process. • Mineralogy Pty Ltd has an iron ore royalty of 2.0% FOB revenue on the first 100 million tonnes of iron ore mined, increasing to 3.5% of FOB revenue on any iron ore in excess of 100 million tonnes mined and a 3.5% royalty on the value of any other mineral sold from the tenement.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration for iron ore within E47/1405 is limited to remote sensing techniques such as Quickbird and aeromagnetic surveys by Mineralogy Pty Ltd, geological mapping, and limited rock chip sampling by BHP Limited in 1972. There are no previously reported samples taken within the area covered by the drilling by BCI. • BCI collected 2 rock chip samples (59.1% Fe & 53.3% Fe) from E47/1405 in October 2017. These sample are not located within the immediate vicinity of the area of drilling that forms part of this ASX announcement.

Criteria	JORC Code Explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The regional geology comprises Brockman Iron Formation with the Mount McRae Shale and Mount Sylvia Formation and Wittenoom Formation occurring along the northern margins of the project, which is situated in the Hammersley Province. • Mineralisation intersected in drilling is mostly contained within Tertiary aged paleo-drainage channels, which have formed Channel Iron Deposits (CID) that present generally as topographic highs or mesas and some circumstances is covered by Recent alluvium.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Refer to Table 1 in Appendix 1 of the ASX announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A nominal 54% Fe lower cut off and no high grade cut off is applied with a maximum 2m of internal dilution and minimum 2m width for significant intercepts. Intersections are weighted by length. • Metal equivalence is not applicable to this style of mineralisation.

Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The holes are all vertical (-90º) and have been drilled to intersect generally flat-lying mineralisation in an orthogonal attitude. As such the down-hole intersections are considered to represent the true-width of mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures 3-6 in the ASX announcement and Table 1 in Appendix 1 of the ASX announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All assay results received for the holes (KRC001-042) at the time of the release have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There has been limited previous exploration undertaken in the area of drilling, confined to remote sensing and broad regional geological mapping by the GSWA and by BHP Limited in 1972.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• It is proposed on receipt of remaining assays for drill holes KRC043-067 to identify areas for potential lateral extensions for drill testing and to undertake Mineral Resource estimation.