ASX Release
19 February 2018

FURTHER POSITIVE KUMINA EXPLORATION RESULTS

- **Excellent exploration progress towards increasing the Buckland Project's iron ore resources**
- **Assays from the final 25 holes of Kumina A phase 1 drilling confirm the presence of further significant Channel Iron Deposit ("CID") mineralisation from surface**
- **Best results include:**
  - **34m at 59.1% Fe from surface in hole KRC0060**
  - **34m at 58.7% Fe from surface in hole KRC0061**
- **Mapping and rock chip sampling at other Kumina targets confirmed the presence of higher grade Bedded Iron Deposits ("BID") in the Brockman Iron Formation**
- **Best rock chip results were from Target E (incl. 67.2% Fe, 65.2% Fe and 64.3% Fe) and Target J (incl. 65.0% Fe, 64.9% Fe and 64.2% Fe)**
- **Extensive drilling campaigns are being planned at the key Kumina BID and CID targets during the next few months**

BCI Minerals Limited (ASX: BCI) ("BCI" or the "Company") is pleased to provide an update on exploration activities at Kumina, including further positive results from phase 1 drilling at the Kumina A deposit and positive mapping and rock chip sampling at other iron ore targets.

Commenting on the results, BCI Managing Director, Alwyn Vorster, said: "*Kumina exploration results continue to meet and exceed BCI's expectations. We are increasingly confident that Kumina can deliver sufficient tonnage of good quality iron ore to support a viable 15Mtpa operation at Buckland and development of the strategic Cape Preston East Port."*

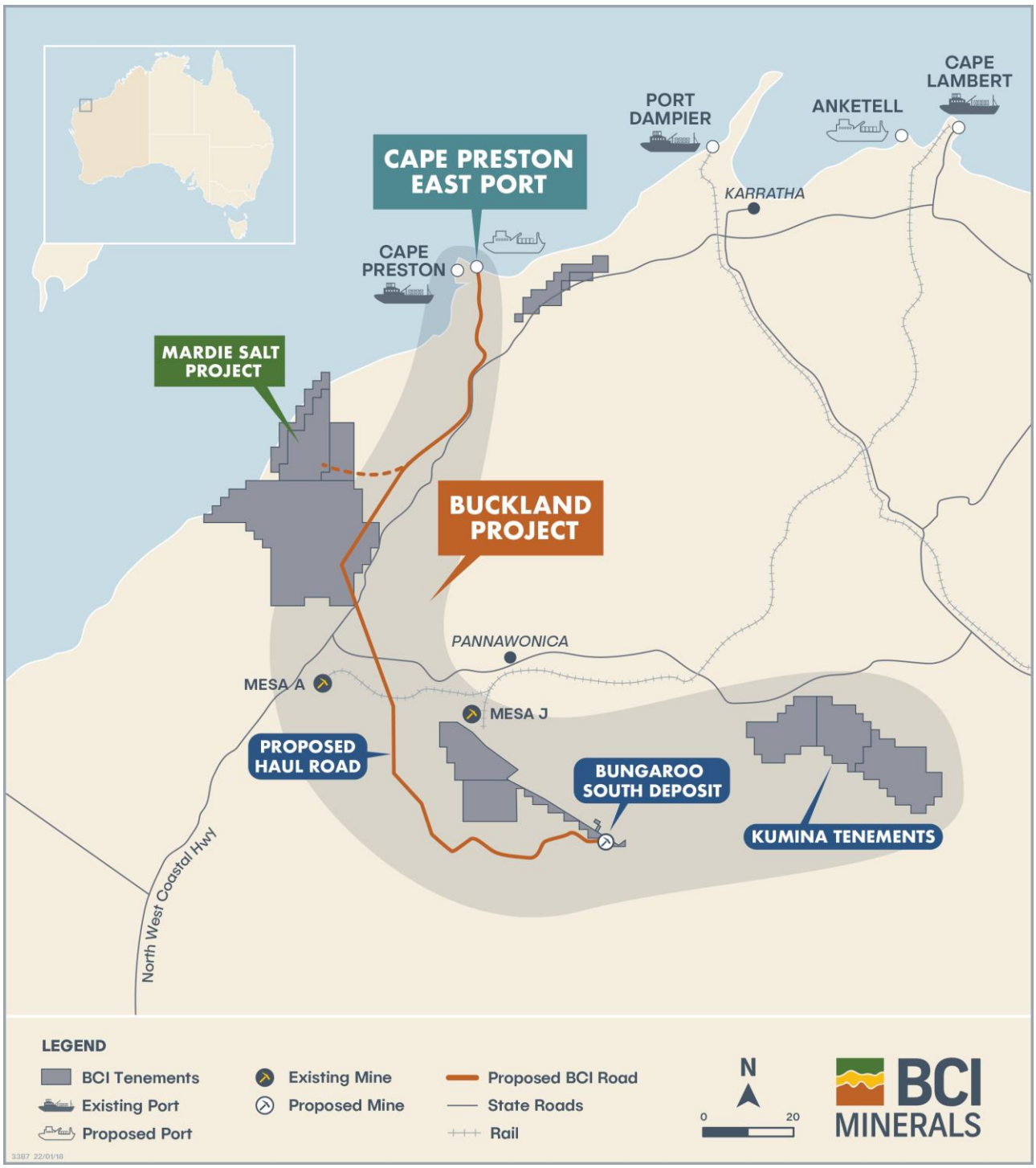
Overview of the Kumina Tenements

The Kumina tenements comprise three granted exploration licences covering an area of approximately 480km^2 located approximately 50km north-east of BCI's Bungaroo South Deposit. The highly prospective tenements have had minimal previous exploration and have the potential to host significant iron ore deposits. They are also prospective for other minerals, including diamonds.

The Kumina tenements comprises Hamersley Group sediments, predominantly the Brockman Iron Formation, which hosts a number of major operating mines in the Pilbara. Lesser amounts of Mount McRae Shale, Mount Sylvia Formation and Wittenoom Formation occur along the northern margin of the tenements. The Brockman Iron Formation has been subjected to several phases of faulting and folding, and has the potential to host bedded iron deposits ("BID") with associated detrital iron deposits ("DID") formed via the deposition of eroded BID. Tertiary aged paleo-drainage channels also occur on the northern and western margins of tenements, and in some areas host channel iron deposits ("CID").

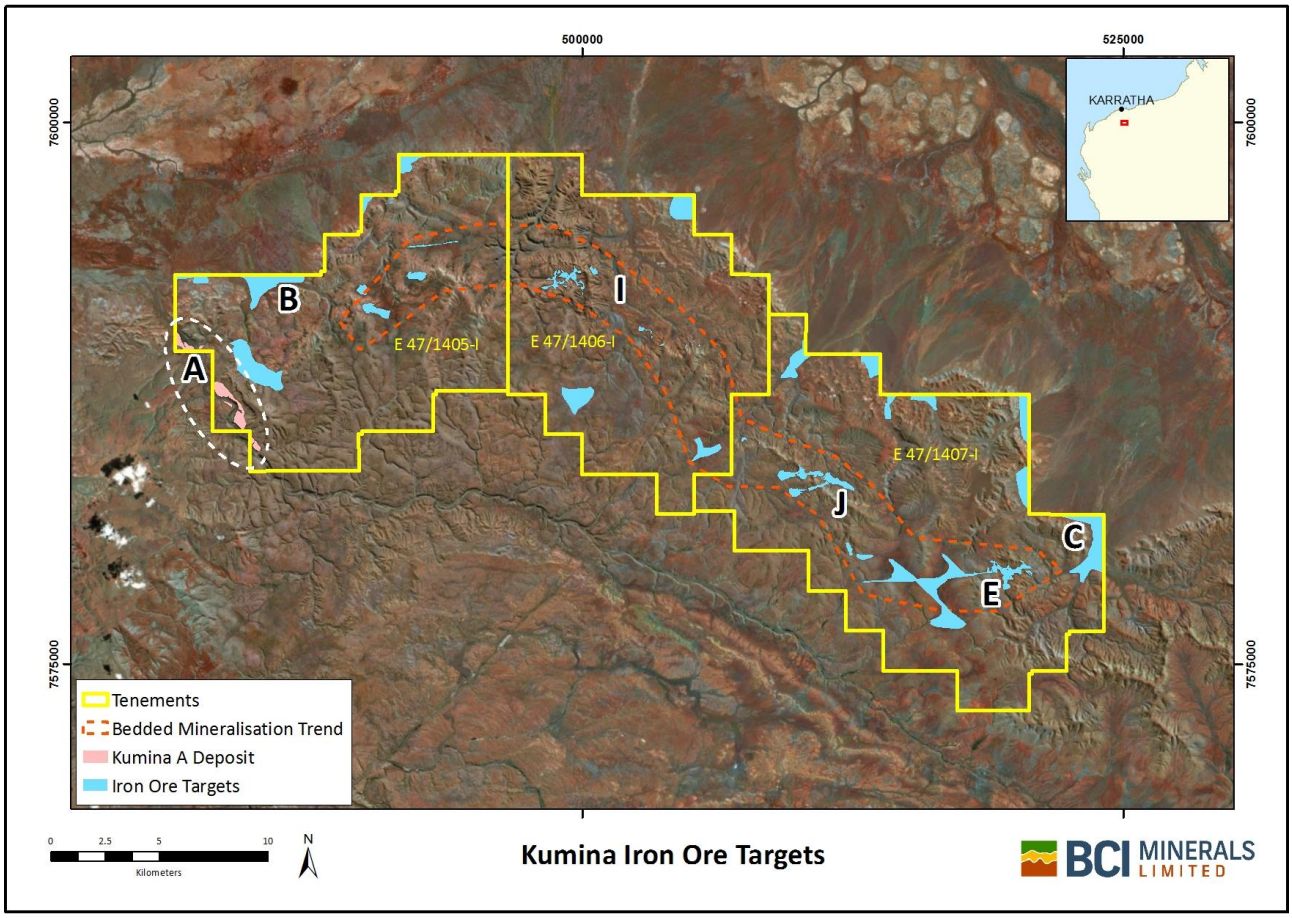
Iron ore deposits discovered at Kumina are intended to become part of BCI's Buckland Project, where the Company is targeting a 15Mtpa operation for 15 years from Bungaroo South, Kumina and other deposits for export through BCI's proposed Cape Preston East Port (refer to Figure 1).

Figure 1: Location of the Buckland Project



Work completed by BCI to date has identified the Kumina A deposit, a CID on the western margin of the tenement package, and numerous other iron ore targets that have the potential to host CID, BID and DID (refer to Figure 2).

Figure 2: Kumina 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.

Kumina A Drilling Results

BCI has now received assay results for the final 25 holes of the 67-hole phase 1 drilling programme at the Kumina A deposit (refer to ASX announcement dated 23 January 2018 for results from the initial 42 holes).

The latest results, which are from holes drilled in the northern and southern area of the Kumina A deposit, confirm the presence of additional iron ore mineralisation from surface. 18 of 25 holes recorded significant intercepts with an iron ore grade of greater than 54% Fe and the majority of significant intercepts had phosphorus levels of 0.10% P or less (refer to Figure 3 below for drill hole locations and Table 1 in Appendix 1 for assay results).

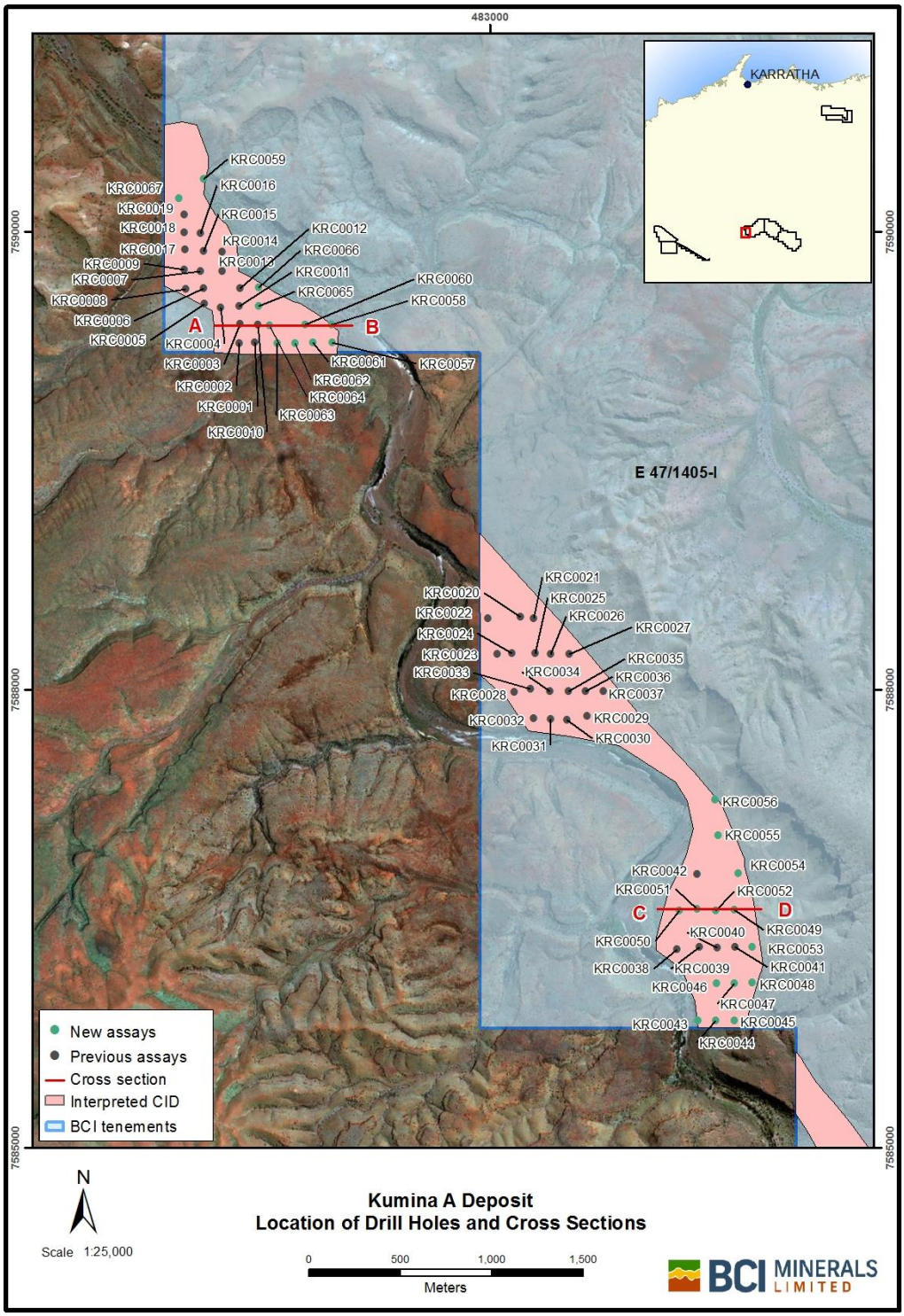
Best intercepts from the northern area include:

- 34m at 59.1% Fe from surface in hole KRC0060;
- 34m at 58.7% Fe from surface in hole KRC0061; and
- 30m at 56.0% Fe from surface in hole KRC0064.

Best results from the southern area include:

- 16m at 57.0% Fe from surface and 14m at 56.7% Fe from 22m in hole KRC0051;
- 16m at 57.0% Fe from surface in hole KRC0052;
- 16m at 56.9% Fe from surface in hole KRC0055; and
- 14m at 59.1% Fe from surface in hole KRC0054.

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



Cross sections for the northern and southern areas are shown in Figures 4 and 5 below, with cross section locations shown in Figure 3.

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

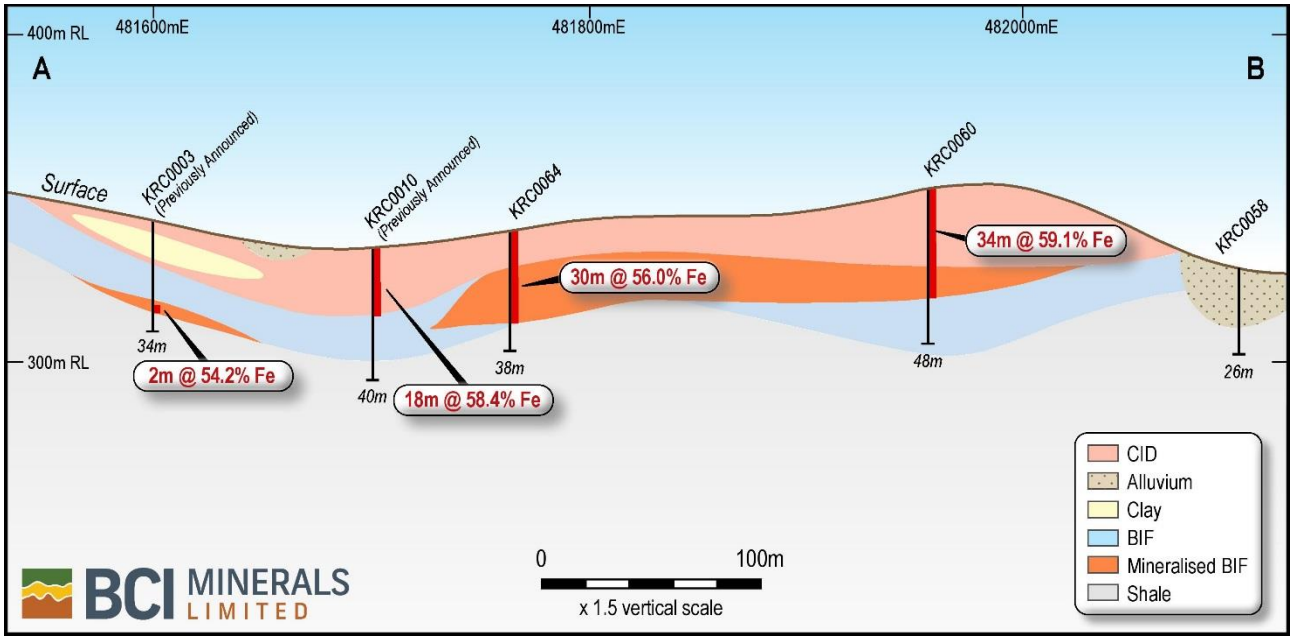
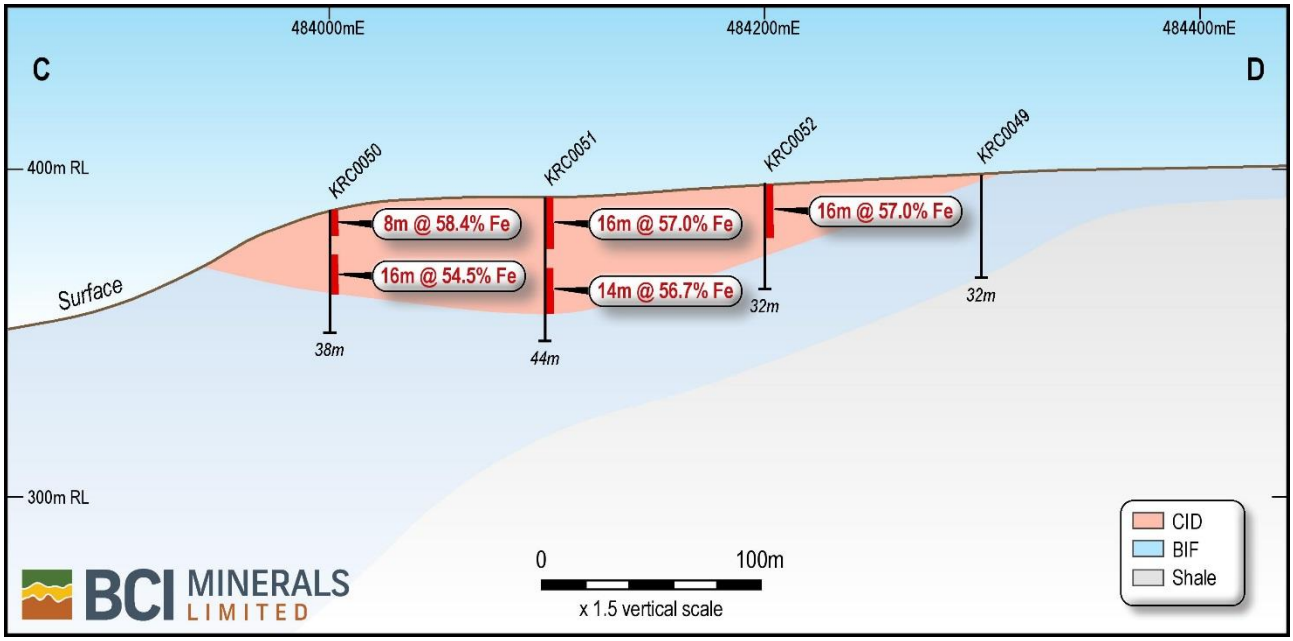


Figure 5: Cross Section from the Southern Area of the Kumina A Deposit

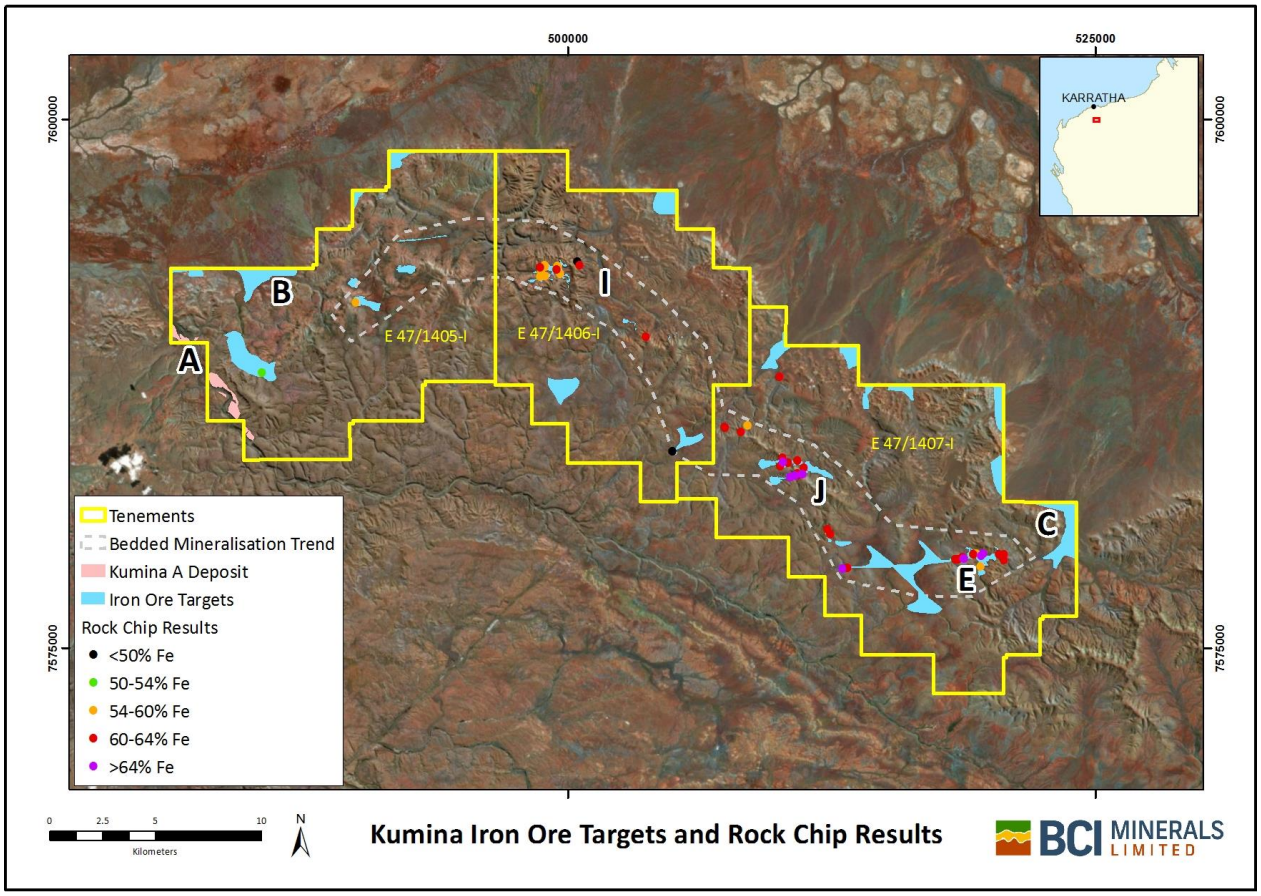


Exploration at Other Targets

BCI has completed an initial field programme to follow up on numerous other CID, BID and DID targets identified through a desktop target generation exercise. The field programme comprised helicopter-assisted reconnaissance to further define the targets, followed by detailed geological mapping and rock chip sampling.

Reconnaissance covered a large part of the tenements, with a focus on BID / DID targets within an apparent bedded mineralised trend that traces through the Kumina tenements for a total strike length of approximately 40km. Mapping and rock chip sampling was then completed at a number of target areas, with a total of 48 samples taken. Figure 6 below shows the current targets as refined by reconnaissance and mapping, and a summary of the rock chip results (refer to Table 2 in Appendix 1 for detailed rock chip results).

Figure 6: Kumina Iron Ore Targets and Rock Chip Results



Note: size of targets depicted in Figure 6 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.

Targets E, I and J, which are BID targets with associated DID deposition, were identified as the highest priority targets due to widespread outcropping mineralisation and the potential for larger tonnages and higher grades. The Brockman Iron Formation hosted BID mineralisation at these targets appears to be structurally controlled by multiple fault sets and folding events.

Target E has mapped BID mineralisation over a 2.5km strike length within and on the flanks of a fault-related east-west trending interpreted syncline of 50-100m in width, with additional associated DID mineralisation. Target E potentially extends undercover for a further 5km west to another occurrence of mapped BID mineralisation.

12 rock chip samples were taken from the eastern part of Target E. The majority of results were >62% Fe, with best results of 67.2% Fe and 65.2% Fe taken from DID mineralisation overlying the BID. Two rock chip samples taken from BID mineralisation in the western part of Target E returned results of 64.3% Fe and 62.9% Fe. Two further rock chip samples were taken from an area of mapped mineralisation to the north-west of Target E, returning results of 62.8% Fe and 62.3% Fe.

Figure 7: Target E – Mapping and Rock Chip Results

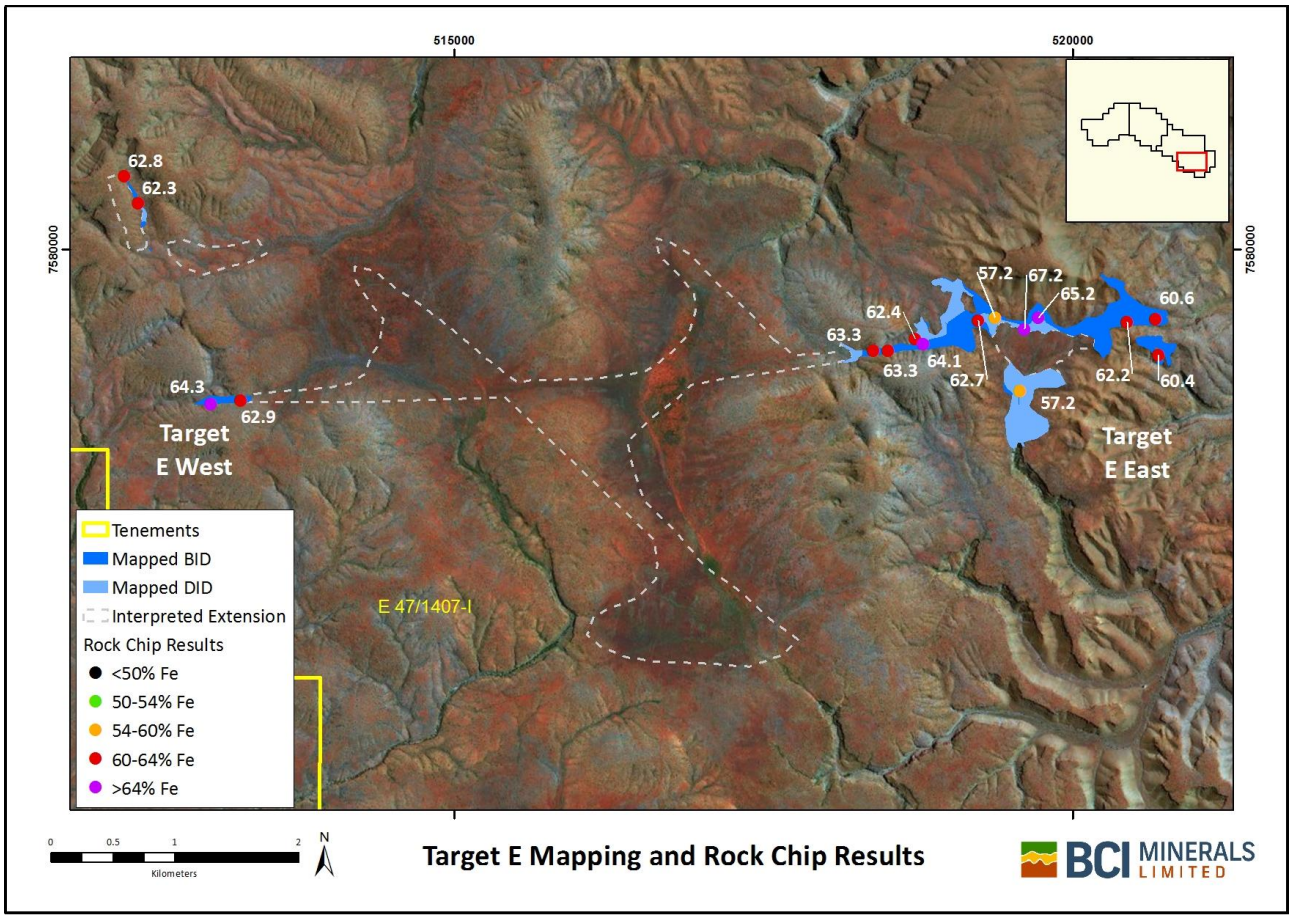


Figure 8: Target E – Outcropping BID

Figure 9: Target E – DID Overlying BID

Target I is a complex faulted and folded BID with associated DID mineralisation. BID mineralisation has a strike length of more than 1km and widths of greater than 100m. 12 rock chip samples were taken from Target I, with typical results of between 55% Fe and 59% Fe. Three samples returned results of greater than 62% Fe, including 63.4% Fe (DID) and 63.0% Fe (BID).

Figure 10: Target I – Mapping and Rock Chip Results

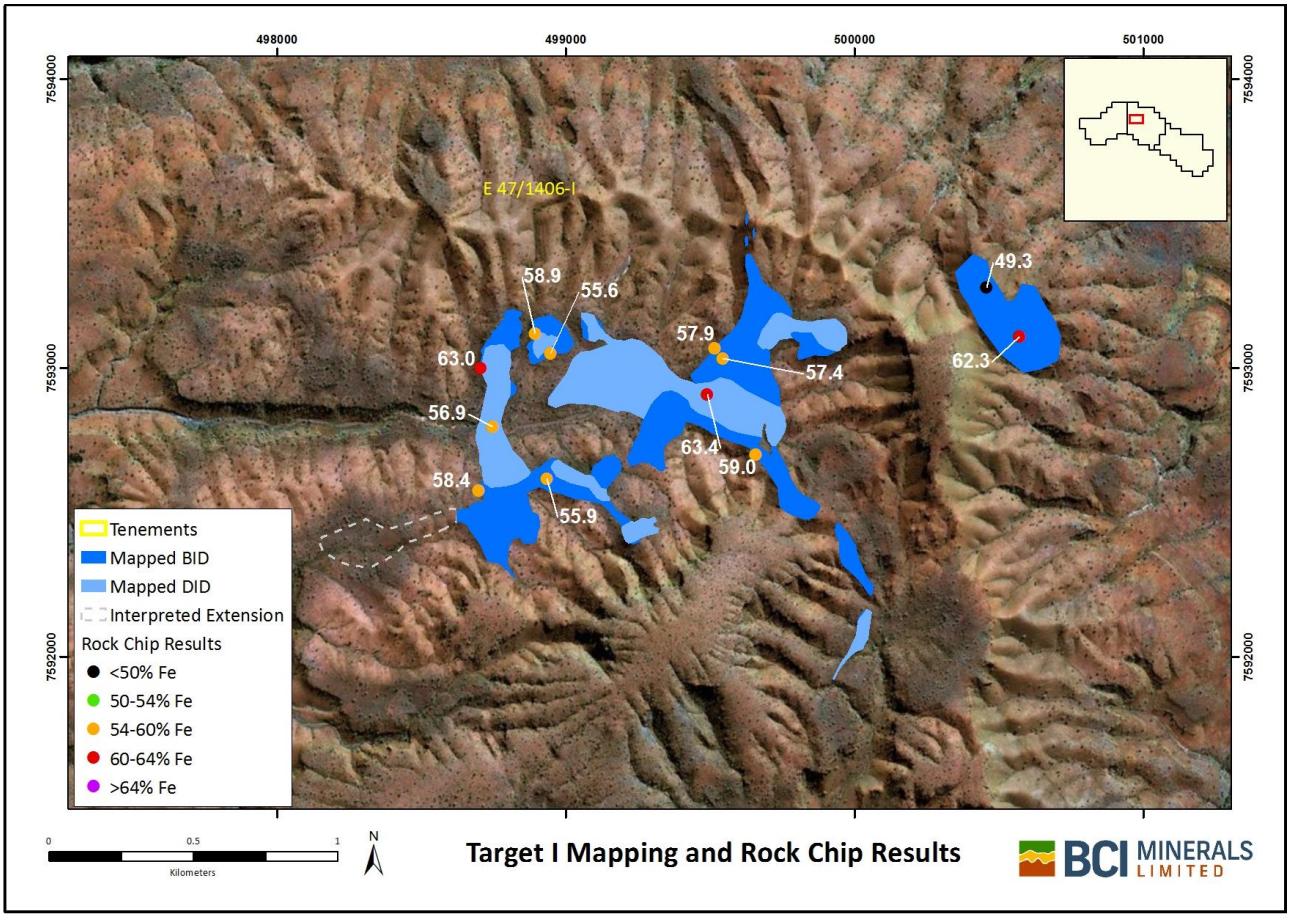


Figure 11: Target I – Mineralised Ridge

Target J comprises two east-west trending interpreted synclines each with a strike length of greater than 1km and a width of 100-150m. Associated DID mineralisation is present along with additional flat lying BID mineralisation on the flanks of the interpreted synclines.

11 rock chip samples were taken from the two trends at Target J, with all results recording grades of greater than 60% Fe. Four results were greater than 64% Fe, three of which were from BID including the best result of 65.0%.

Figure 12: Target J – Mapping and Rock Chip Results

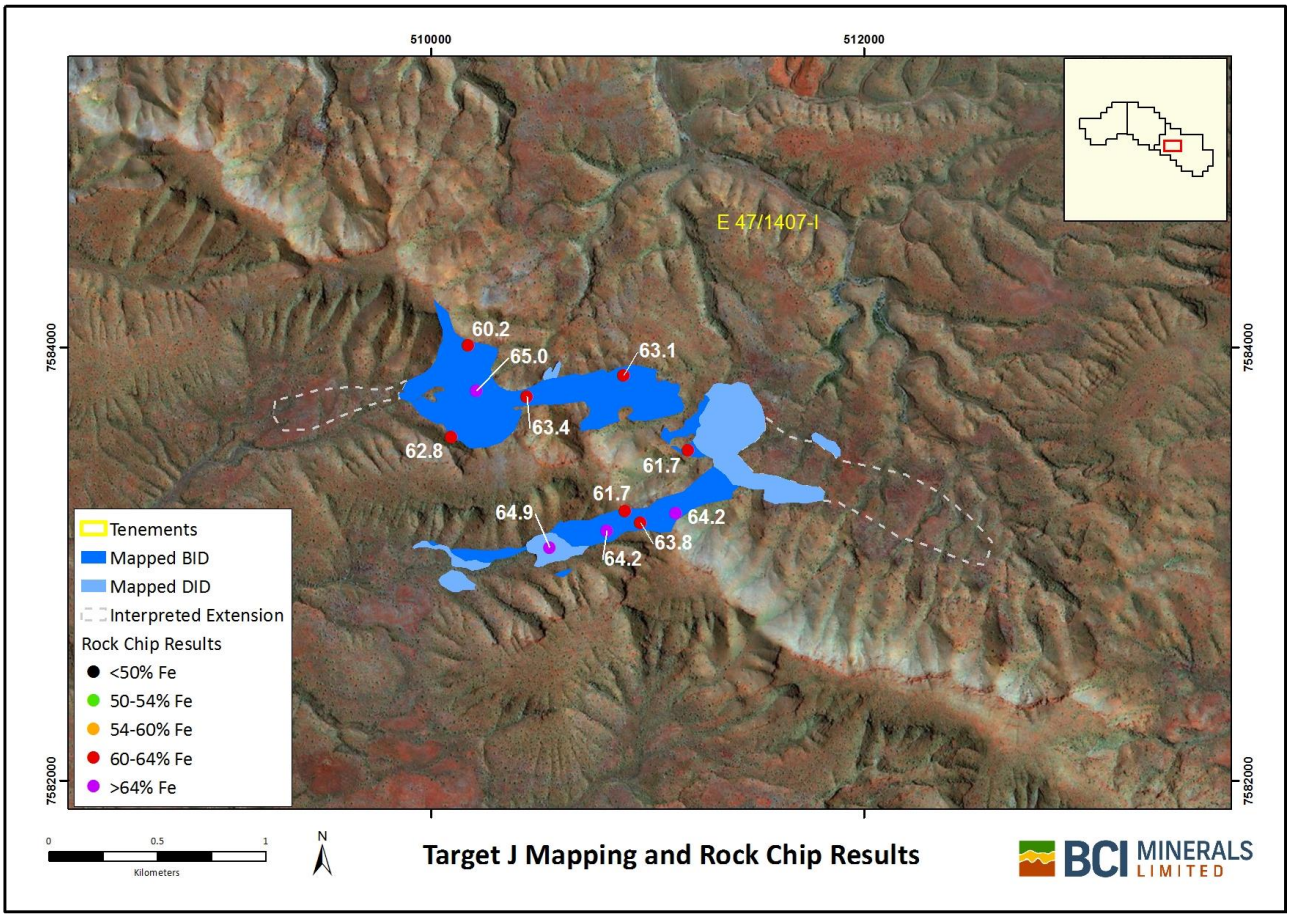
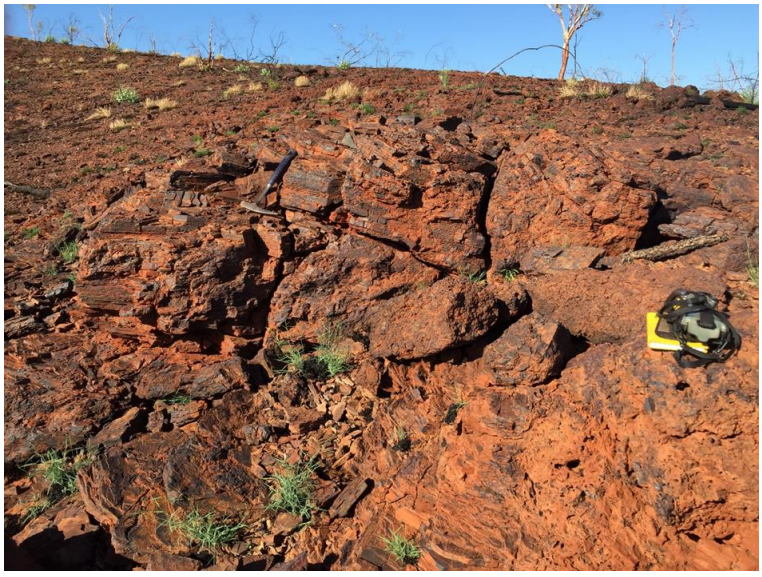


Figure 13: Target J – Outcropping BID Looking West Along Mineralised Trend



Drilling is planned at targets E and J during the June 2018 quarter, at which time BCI also plans to drill CID targets B and C.

BCI is aiming to complete a maiden Mineral Resource estimate for the Kumina tenements (including Kumina A) in the June 2018 quarter.

-END-

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Managing Director	Chief Financial Officer	Investor Relations Manager

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 / base metal 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 centre 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:	$18.9 million	as at 31 December 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 (%)
KRC0043	7585796	484103	346	34	2	16	18	60.0	10.1	0.8	0.10
KRC0044	7585800	484200	354	26	No significant intercepts						
KRC0045	7585797	484300	377	26	No significant intercepts						
KRC0046	7586001	484204	395	32	2	0	2	57.8	6.8	1.9	0.05
KRC0047	7586004	484298	390	26	2	0	2	56.0	7.0	1.7	0.05
KRC0048	7586007	484393	395	26	8	0	8	57.0	6.3	1.9	0.05
KRC0049	7586402	484300	401	32	No significant intercepts						
KRC0050	7586399	484002	390	38	8	0	8	58.4	4.4	2.8	0.06
					16	14	30	54.5	7.9	3.4	0.18
KRC0051	7586406	484099	393	44	16	0	16	57.0	5.9	3.2	0.06
					14	22	36	56.7	6.0	2.8	0.18
					2	40	42	54.5	10.4	2.5	0.15
KRC0052	7586400	484200	397	32	16	0	16	57.0	6.4	2.8	0.06
KRC0053	7586202	484398	405	32	10	0	10	56.5	5.2	3.9	0.06
KRC0054	7586604	484319	398	38	14	0	14	59.1	7.2	2.7	0.07
KRC0055	7586801	484215	394	32	16	0	16	56.9	7.6	3.2	0.06
KRC0056	7587001	484193	400	32	2	0	2	55.1	5.9	3.4	0.07
KRC0057	7589501	482099	331	32	No significant intercepts						
KRC0058	7589600	482100	328	26	No significant intercepts						
KRC0059	7590394	481399	322	14	No significant intercepts						
KRC0060	7589596	481956	353	48	34	0	34	59.1	5.2	1.9	0.09
KRC0061	7589499	481998	356	48	34	0	34	58.7	4.8	2.4	0.11
KRC0062	7589498	481902	356	26	8	0	8	60.1	5.1	2.0	0.07
KRC0063	7589500	481802	354	26	6	0	6	57.9	6.4	2.0	0.08
KRC0064	7589594	481763	350	38	30	0	30	56.0	10.2	1.9	0.10
KRC0065	7589698	481699	346	36	10	0	10	57.5	7.5	2.3	0.07
					2	14	16	54.6	10.1	3.5	0.09
					4	26	30	55.6	10.8	2.4	0.16
KRC0066	7589804	481702	332	24	No significant intercepts						
KRC0067	7590288	481267	330	50	12	0	12	56.9	5.2	2.8	0.15

Table 2: Other Targets – Rock Chip Sample Results

Target	Sample ID	Northing	Easting	RL	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
E	KR0015	7579149	520696	560	60.4	2.3	2.8	0.20
	KR0016	7579412	520438	588	62.2	1.6	1.6	0.11
	KR0017	7579440	520673	571	60.6	1.8	1.7	0.12
	KR0018	7579449	519722	579	65.2	3.1	1.2	0.10
	KR0019	7579356	519609	552	67.2	1.0	1.2	0.08
	KR0020	7579453	519372	555	57.2	3.2	3.7	0.11
	KR0021	7579425	519237	566	62.7	1.0	1.3	0.10
	KR0022	7579280	518726	574	62.4	2.2	1.8	0.07
	KR0023	7579235	518790	593	64.1	1.2	0.7	0.11
	KR0024	7579181	518505	593	63.3	0.8	0.7	0.15
	KR0025	7579184	518389	596	63.3	1.1	0.8	0.17
	KR0026	7578751	513027	562	64.3	1.2	0.6	0.20
	KR0027	7578779	513270	579	62.9	1.2	1.1	0.10
	KR0028	7578859	519577	541	57.2	2.6	3.7	0.11
I	KR0001	7593070	499515	517	57.9	3.6	3.9	0.07
	KR0008	7593279	500457	582	49.3	1.0	1.2	0.06
	KR0009	7593110	500572	566	62.3	1.4	1.1	0.18
	KR0035	7592999	498705	492	63.0	2.5	2.6	0.05
	KR0038	7593052	498946	501	55.6	3.3	5.8	0.06
	KR0039	7593119	498893	501	58.9	2.9	3.4	0.13
	KR0040	7592798	498745	482	56.9	6.8	6.7	0.05
	KR0041	7592577	498698	497	58.4	5.2	3.9	0.04
	KR0042	7592615	498934	505	55.9	4.3	5.0	0.05
	KR0043	7593034	499543	507	57.4	2.1	3.9	0.06
	KR0044	7592702	499656	525	59.0	2.0	3.0	0.20
	KR0045	7592909	499488	495	63.4	2.6	2.2	0.09
J	KR0006	7583802	510207	582	65.0	1.6	0.7	0.11
	KR0007	7584012	510170	611	60.2	2.7	2.3	0.09
	KR0029	7583243	510895	608	61.7	1.4	1.0	0.13
	KR0030	7583190	510968	627	63.8	1.1	0.7	0.08
	KR0031	7583235	511128	614	64.2	1.2	1.0	0.10
	KR0032	7583588	510092	594	62.8	1.5	1.1	0.28
	KR0033	7583153	510811	586	64.2	1.4	1.0	0.13
	KR0034	7583074	510546	557	64.9	2.2	1.6	0.07
	KR0036	7583775	510442	571	63.4	3.2	1.3	0.11
	KR0037	7583872	510889	572	63.1	3.0	1.3	0.08
	KR0046	7583525	511188	551	61.7	1.6	1.9	0.10

Target	Sample ID	Northing	Easting	RL	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Other Targets	KR0002	7585455	507451	492	62.2	3.1	2.9	0.10
	KR0003	7591358	489966	537	59.1	2.4	4.5	0.06
	KR0004	7588023	485514	422	53.3	9.5	2.9	0.05
	KR0005	7587839	510058	415	60.0	4.6	2.6	0.16
	KR0010	7589739	503701	548	63.3	1.6	1.4	0.08
	KR0011	7585537	508512	527	57.0	5.4	3.8	0.07
	KR0012	7585207	508204	576	63.2	1.6	1.1	0.12
	KR0013	7584313	504966	492	47.2	21.0	1.2	0.08
	KR0014	7585419	507458	493	62.7	3.1	2.5	0.06
	KR0047	7580597	512329	628	62.8	1.4	0.9	0.18
	KR0048	7580375	512441	599	62.3	1.5	0.5	0.17

APPENDIX 2: COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results 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.*	**Drilling:** • 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. **Rock Chips:** • The rock chip samples were collected by a BCI geologist from the surface based on visual inspection of the geological outcrops. • The rock chip samples were selective and therefore are not wholly representative of the underlying geology. • The rock chip samples were sent to the laboratory where they were dried, crushed and pulverised (total preparation) to produce a sub sample for analysis by XRF and total LOI by TGA.

Criteria	JORC Code Explanation	Commentary
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).
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 of RC samples 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.

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.*	**Drilling:** *Sub-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 inserted 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. • Laboratory repeats are taken and standards inserted at predetermined levels by the laboratory. **Rock Chips:** *Sample Preparation:* • Sample dried at 105ºC for 24 hrs. • Crushed to nominal -3mm. • Pulverised to 95% passing at 105µm. *Quality Control Procedure:* • Laboratory repeats are taken and standards inserted at predetermined levels.

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.*	**Drilling and Rock Chip Assays:** • 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. **Drilling Assays:** • 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 drilling 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 for the drilling is captured on a field Toughbook laptop computer using LogChief software. The software has validation routines to minimise data entry errors. • Data is sent to Perth and stored in a secure, centralised Datashed database. • Data for the rock chip samples is recorded in a field notebook and subsequently transferred to the database in Perth. • No adjustments or calibrations were made to any data 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.*	**Drilling:** • 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 completed 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. **Rock Chips:** • Rock chip locations were collected using a hand-held Garmin GPS (+/-5m accuracy). • The survey co-ordinates are projection MGA_GDA 94 Zone 50.
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.*	**Drilling:** • 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 drill samples were collected at 2m interval and there has been no subsequent compositing of samples. **Rock Chips:** • Samples were not on a regular spacing and were selective.

Criteria	JORC Code Explanation	Commentary
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.*	**Drilling:** • 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. **Rock Chips:** • The rock chips were selective, and it is unknown whether this resulted in biased or unbiased sampling.
Sample security	• *The measures taken to ensure sample security.*	**Drilling & Rock Chips:** • 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 from E47/1405, E47/1406 & E47/1407. • E47/1405-1407 are held by BC Pilbara Iron Ore Pty Ltd, which is a 100% owned subsidiary of BCI. The tenements were 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 tenements are situated within the Kuruma and Marthudunera Native Title Claim (WC 1999/12) and Yindjibarndi Aboriginal Corporation (WR 2017/001). • The tenements are 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.*	• Previous exploration for iron ore within the tenements 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. – 14 diamond/RC holes by Australian Hanna Pty Ltd between 1975 and 1982, exploring for Banded Iron Formation hosted magnetite near Targets B, E, I & J. This data is being reviewed currently to determine the relevance to focusing the exploration.

Criteria	JORC Code Explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The regional geology predominantly comprises Brockman Iron Formation with lesser amounts of 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 in some circumstances are covered by Recent alluvium. • Rock chip samples were collected from Bedded Iron Deposits ("BID") and Detrital Iron Deposits ("DID") overlying BID. BID mineralisation is associated primarily with the Brockman Iron Formation.

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.*
		Drilling:
		• Refer to Table 1 in Appendix 1 of the ASX announcement.
		Rock Chips:
		• Refer to Table 2 in Appendix 1 of the ASX announcement.

Criteria	JORC Code Explanation	Commentary
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.*	**Drilling:** • 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. **Rock Chips:** • Not applicable there were no data aggregation methods applied.
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').*	**Drilling:** • 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. **Rock Chips:** • Not applicable.
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.*	**Drilling:** • Refer to Figures 3 to 5 in the ASX announcement and Table 1 in Appendix 1 of the ASX announcement. **Rock Chips:** • Refer to Figures 6, 7, 10 and 12 in the ASX announcement and Table 2 in Appendix 1 of the ASX announcement.

Criteria	JORC Code Explanation	Commentary
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.*	**Drilling:** • All assay results received for holes KRC0001-0067 are reported in this ASX announcement or previous ASX announcement "Initial Kumina Drilling Confirms Iron Ore Potential" dated 23 January 2018. **Rock Chips:** • All rock chip assays results received to date (samples KR0001-0048) are reported in this ASX announcement.
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.*	• Limited other exploration undertaken. Refer to the "Exploration done by other parties" section above.
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.*	• Drilling is planned at Targets B, C, E and J during the June 2018 quarter. • Mineral Resource estimates are planned to be completed for Kumina A (in progress) and Targets B, C, E and J (subject to drilling results) during the June 2018 quarter. • Assessment and early stage exploration work is planned to continue at other iron ore targets on the Kumina tenements.