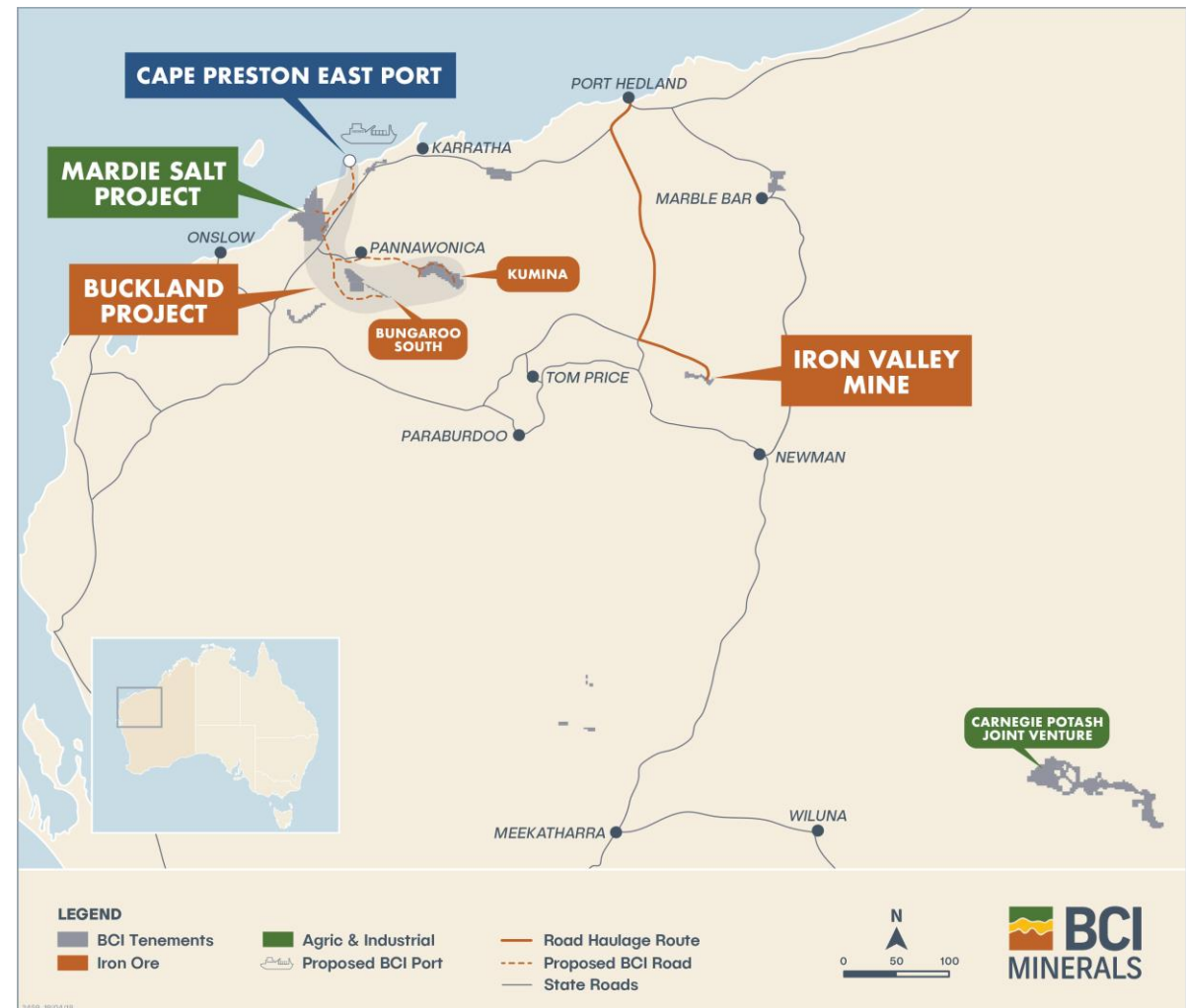




# Corporate Presentation

# About BCI Minerals

- ASX-listed resources company based in Perth, Australia (ASX: BCI)
- BCI aims to develop and generate earnings from **Iron Ore** & **Industrial Minerals** projects
- Market cap of ~A\$60M (at \$0.15)
- A\$19M cash and zero debt
- Royalty earnings from the **Iron Valley mine** (~A\$16M EBITDA in FY17)
- Current focus on:
  - Building high grade resources and then developing the **Buckland Iron Ore Project**
  - Advancing **Mardie Salt and SOP Project** via studies and approvals



# Corporate Information



## Capital Structure

Ordinary Shares	395.0M
Share Price (20-Apr-18)	\$0.15
<b>Market Capitalisation</b>	<b>\$59.3M</b>
Cash (31-Dec-17)	\$18.9M
Debt (31-Dec-17)	Nil

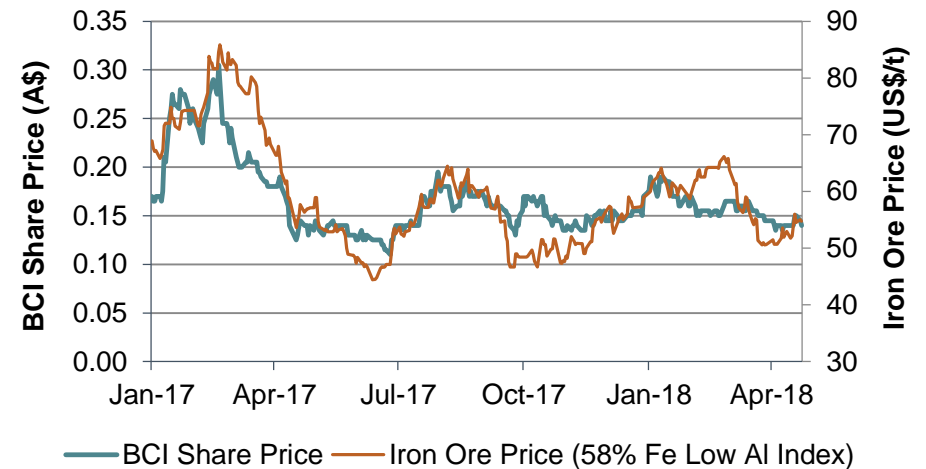
## Board and Management

Brian O'Donnell <i>(Non-Exec Chairman)</i>	Alwyn Vorster <i>(Managing Director)</i>
Michael Blakiston <i>(Non-Exec Director)</i>	Simon Hodge <i>(Chief Financial Officer)</i>
Jennifer Bloom <i>(Non-Exec Director)</i>	Rubini Ventouras <i>(General Counsel &amp; Co Sec)</i>
Martin Bryant <i>(Non-Exec Director)</i>	Steve Abbott <i>(GM Iron Ore)</i>
Andy Haslam <i>(Non-Exec Director)</i>	

## Shareholding and Trading

Wroxby Pty Ltd	27.7%
Top 20 Shareholders	~50%
Number of Shareholders	~7,500
Ave Daily Volume (Last 6 Months)	~740,000

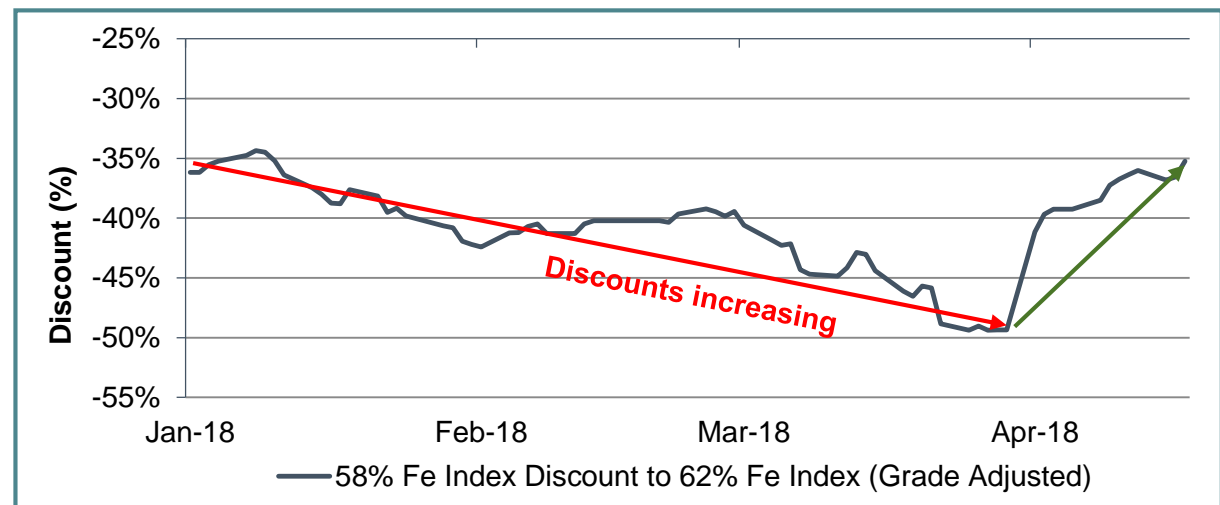
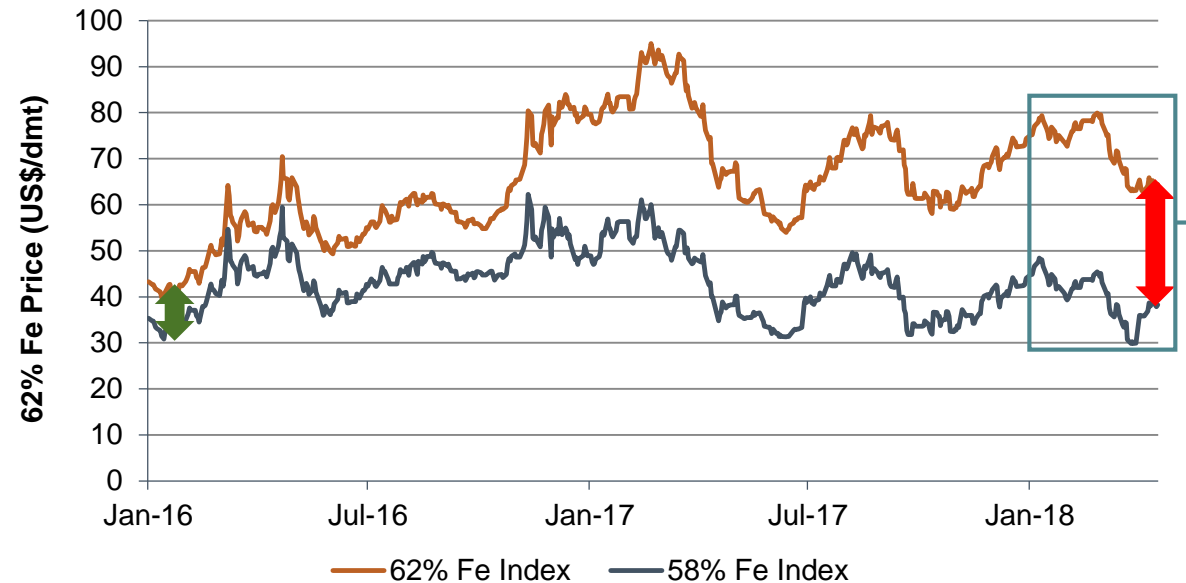
## Share Price vs Iron Ore Price



# Iron Ore Market

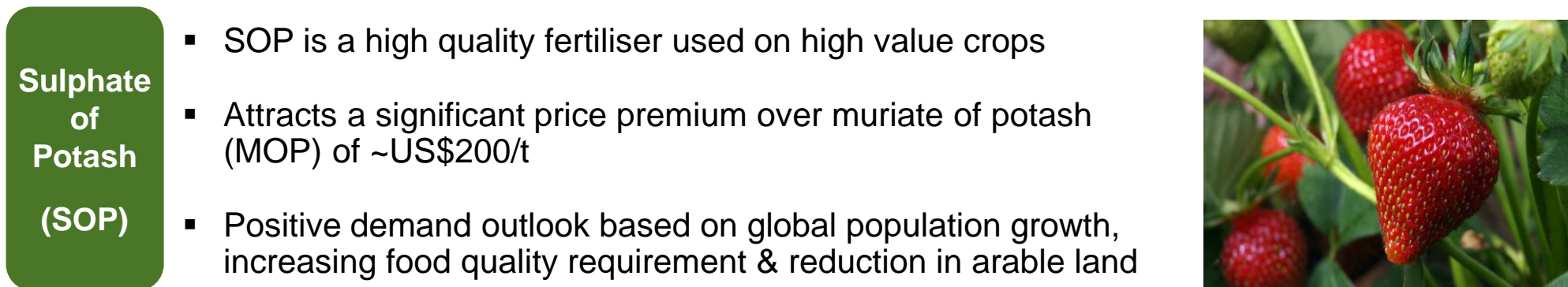
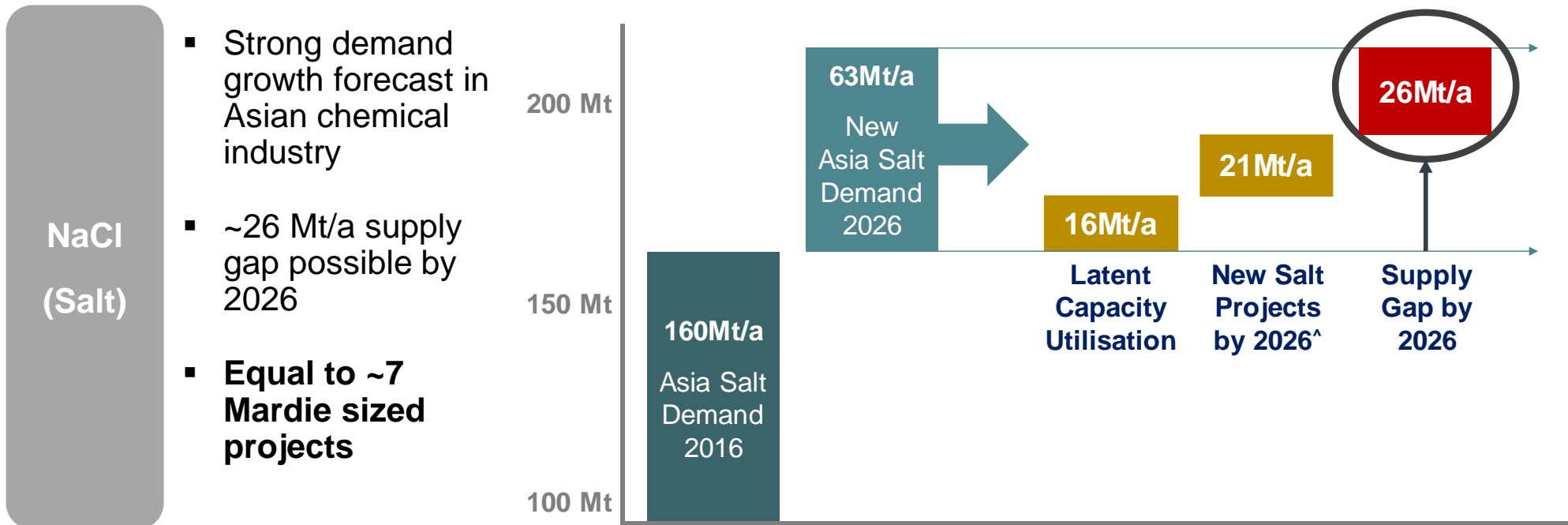
## Headline 62% Fe prices remain robust and discounts appear to be narrowing

- FY18 headline 62% Fe price stronger than market commentators' forecasts (US\$60-80/dmt range)
- In 2017/18, discounts for 58% Fe products increased materially
- Recent positive price movements point to a narrowing of the discounts
- Impact of discount situation on BCI:
  1. Current Iron Valley earnings impacted
  2. BCI exploration focus on mainly higher quality deposits



# Why Salt and SOP?

Both Salt and SOP have an attractive long term demand outlook



# Cash Flow from Iron Valley Mine

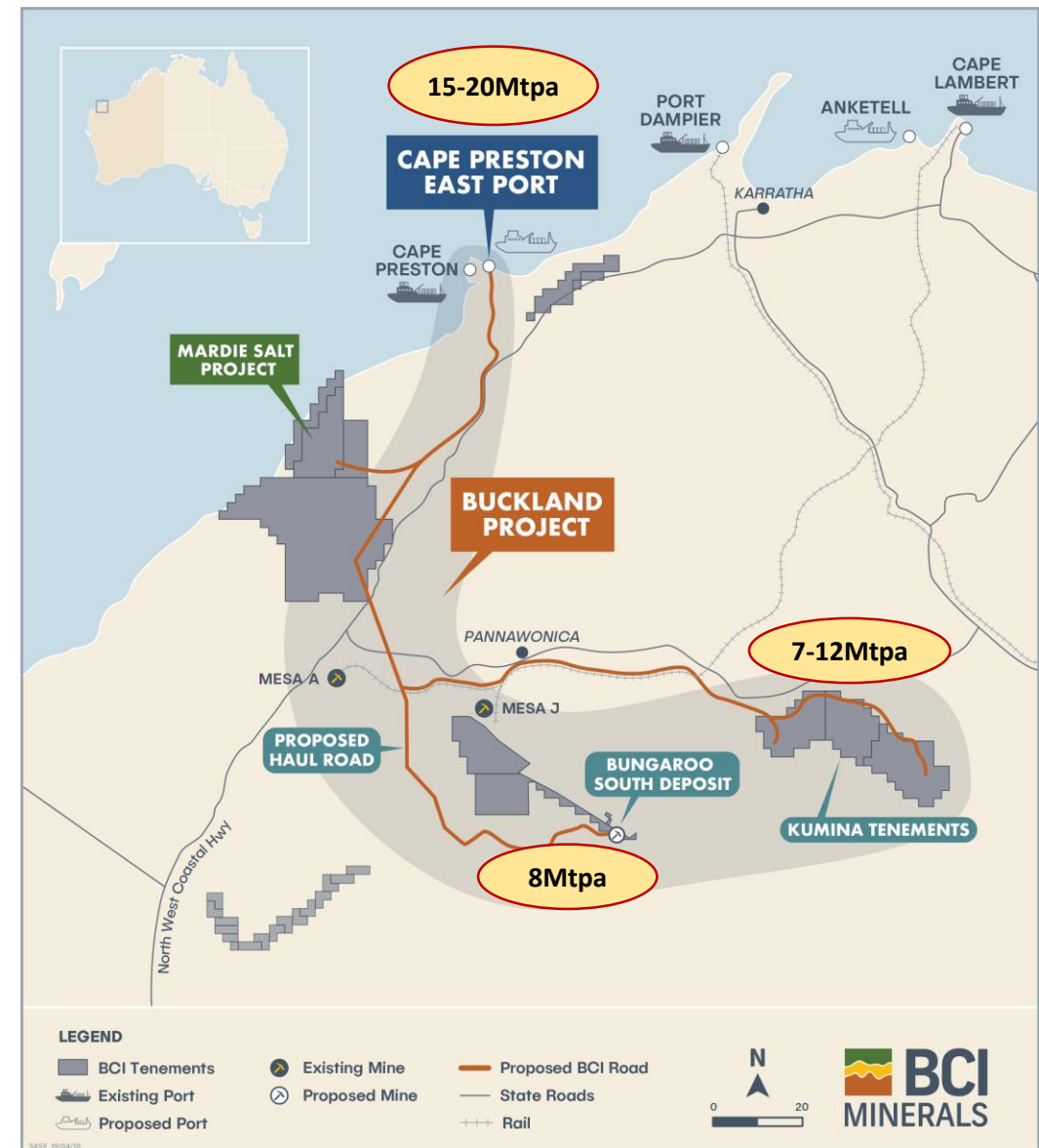
- Quarterly earnings for BCI via royalty agreement with Mineral Resources Ltd (MIN)
- 7-8Mtpa DSO operation; 50% lump production; potential mine life of ~15 years
- BCI FY17 revenue of A\$61M and EBITDA of A\$16M (adjusted)
- Upside from MIN's Bulk Ore Shuttle System (BOSS)<sup>1</sup>
  - 330km lightweight, narrow gauge rail system with fully autonomous ~120t payload shuttles
  - Lower opex improves financial viability
  - Potential to double production rates to 15Mtpa (higher royalty payment to BCI)
  - Potential construction start by end of 2018





# Buckland Iron Ore – A Major Project

- Iron ore mine/s, road and port development project in the West Pilbara
- BCI goal for Buckland to become a 15-20Mtpa for 15 years operation, exporting via Cape Preston East (CPE) Port
  - **Bungaroo South:** FS completed and fully approved for 8Mtpa operation<sup>1</sup>
  - **Kumina:** exploration aiming to add an additional 7-12Mtpa of production potential
- Target cost structure<sup>2</sup> for mines and road: Capex <A\$600M, C1 Opex <A\$30/t FOB
- Value drivers in 2018:
  1. Establish large high grade resource at Kumina
  2. Secure offtake and development joint venture partnerships

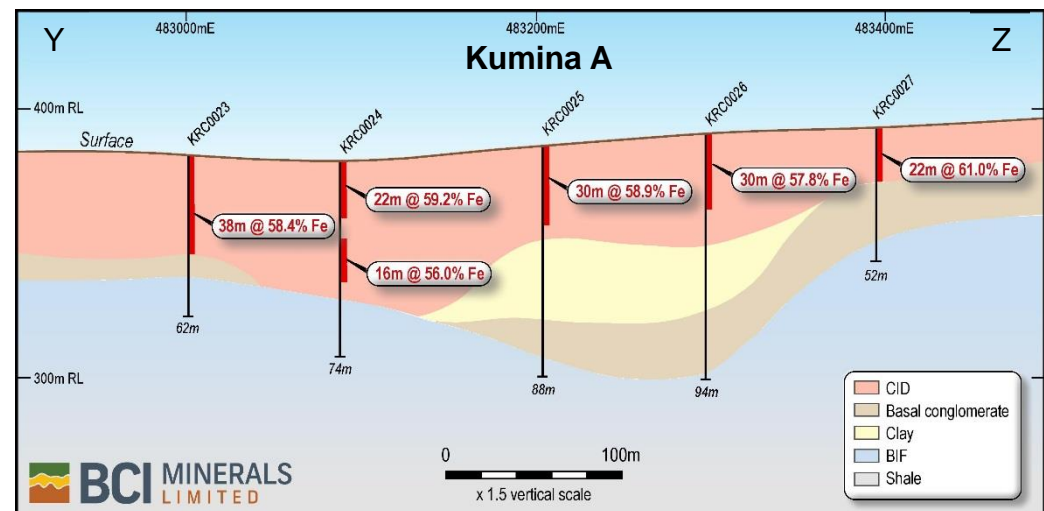
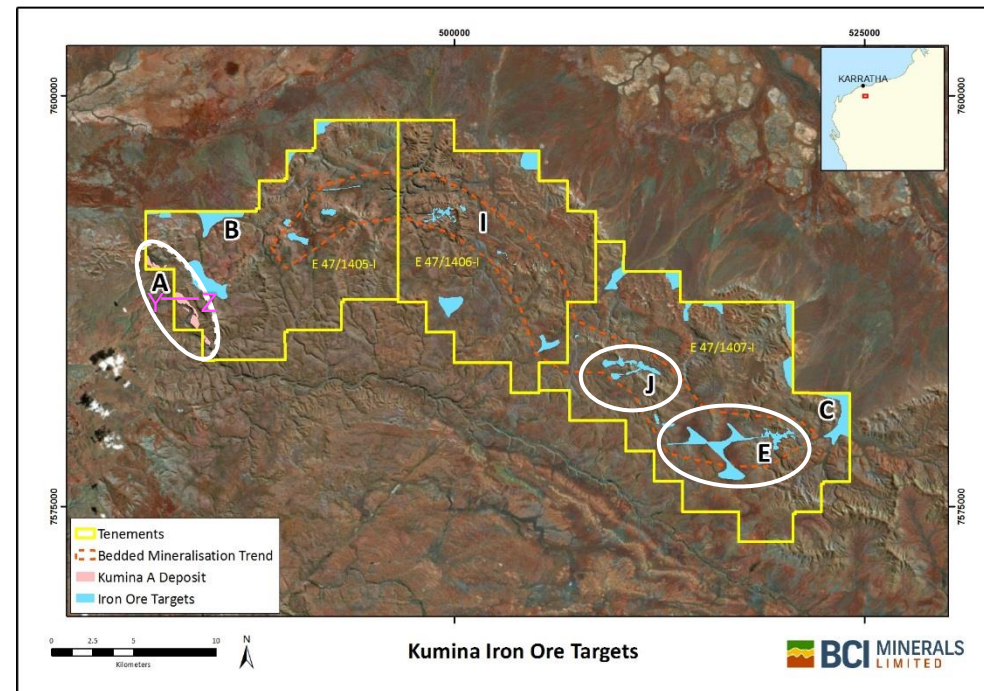


1. Production target released in IOH announcement “Buckland Project Positive Feasibility Study Results” dated 4-Jun-14. All material assumptions underpinning the production target continue to apply and have not materially changed.

2. Capex excludes CPE Port capex. Opex includes a CPE Port access charge.

# Buckland Game Changer – Kumina

- Large (480km<sup>2</sup>), underexplored tenement package acquired in late 2017
- Multiple channel iron (CID) and higher grade bedded iron (BID) targets identified
  - Drilling at Kumina A completed with excellent results<sup>1</sup>
  - Drilling underway at targets E, J and C
  - Rock chip samples at E and J of up to 67% Fe grades<sup>1</sup>
- >100Mt deposit size targeted by Jun-18
- Potential to underpin attractive overall Buckland business case, or be developed into a stand-alone high grade mine

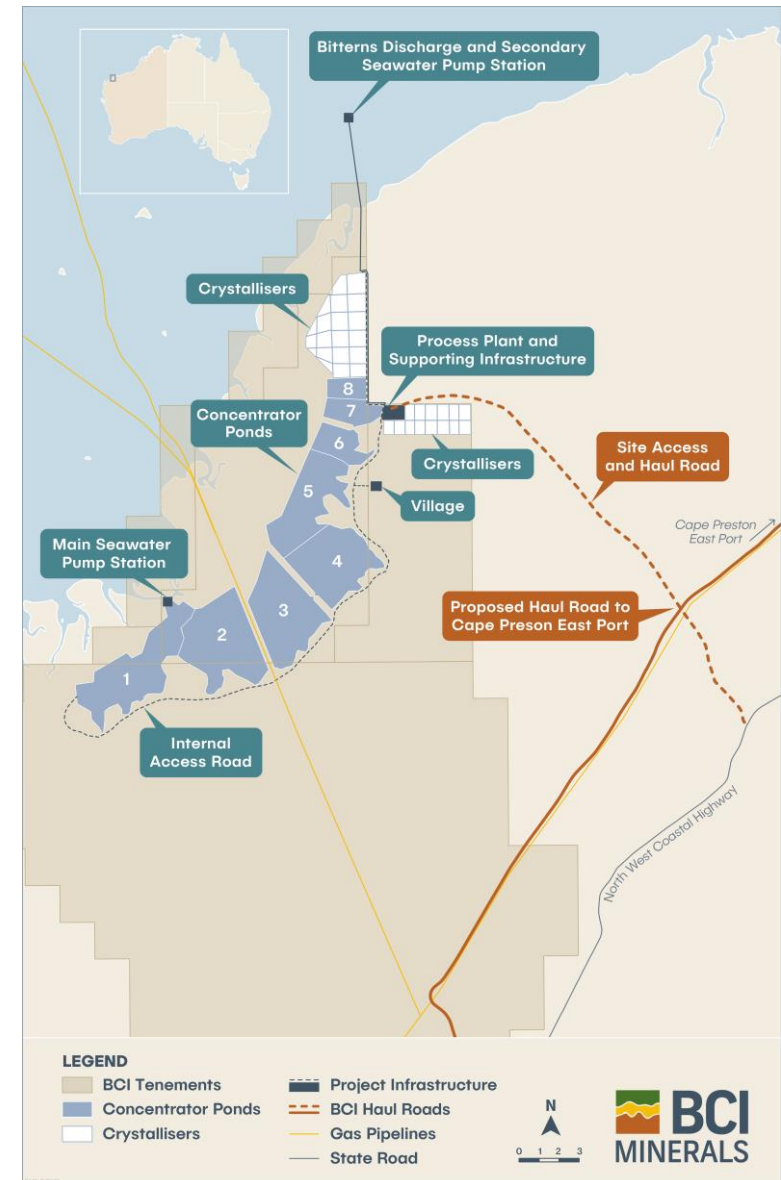


1. Explorations results released in BCI announcements “Initial Kumina Drilling Confirms Iron Ore Potential” dated 23-Jan-18 and “Further Positive Kumina Exploration Results” dated 19-Feb-18. BCI is not aware of any new information or data that materially affects the information included in the announcement.



# Mardie Salt – Value Upside

- Mardie located in Australia's key salt production region
  - 14.3Mtpa capacity in nearby operations owned by Dampier Salt (Rio Tinto / Marubeni / Sojitz) and Mitsui
- All key site-related requirements for a large-scale solar salt project
- Targeting production of high purity salt for use in the chlor-alkali industry, plus SOP as a by-product
- 2017 Scoping Study<sup>1</sup> on a 3.5Mtpa project (salt only) delivered pre-tax NPV<sub>10</sub> of US\$285M and EBITDA of US\$70M p.a.
- Focus in 2018:
  - Complete Pre-feasibility Study on a ~3.5Mtpa salt and ~50ktpa SOP operation by mid-2018
  - Accelerate environmental / heritage studies and approvals
  - Finalise ownership structure – pursue IPO and/or secure development / offtake partners

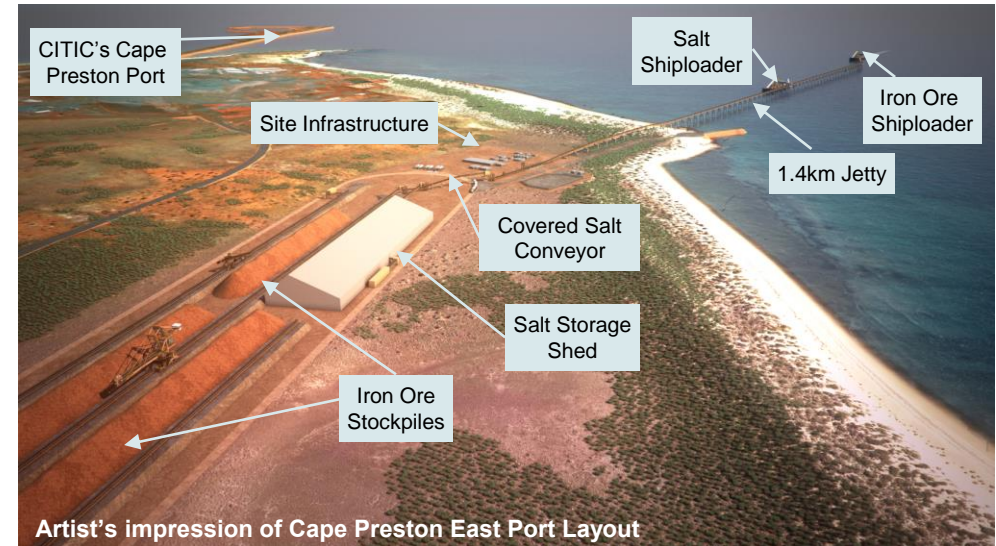


1. Refer to BCI ASX release dated 18 July 2017.

# Cape Preston East (CPE) Port – Multi-Product Export Potential



- CPE port facility planned to service **Buckland Iron Ore** (15-20Mtpa) & **Mardie Salt** (3.0-3.5Mtpa)
- BCI is the foundation proponent and Lease holder for a 20Mtpa operation for 20 years (potential to expand capacity and extend term)
- Transshipment port utilising modern self-unloading & self-propelled transshipment vessels
- All environmental and heritage approvals secured
- Target capex of ~A\$300M and opex of ~A\$8/t



# Other Projects

## Carnegie SOP Joint Venture (30%<sup>1</sup>) – Progress

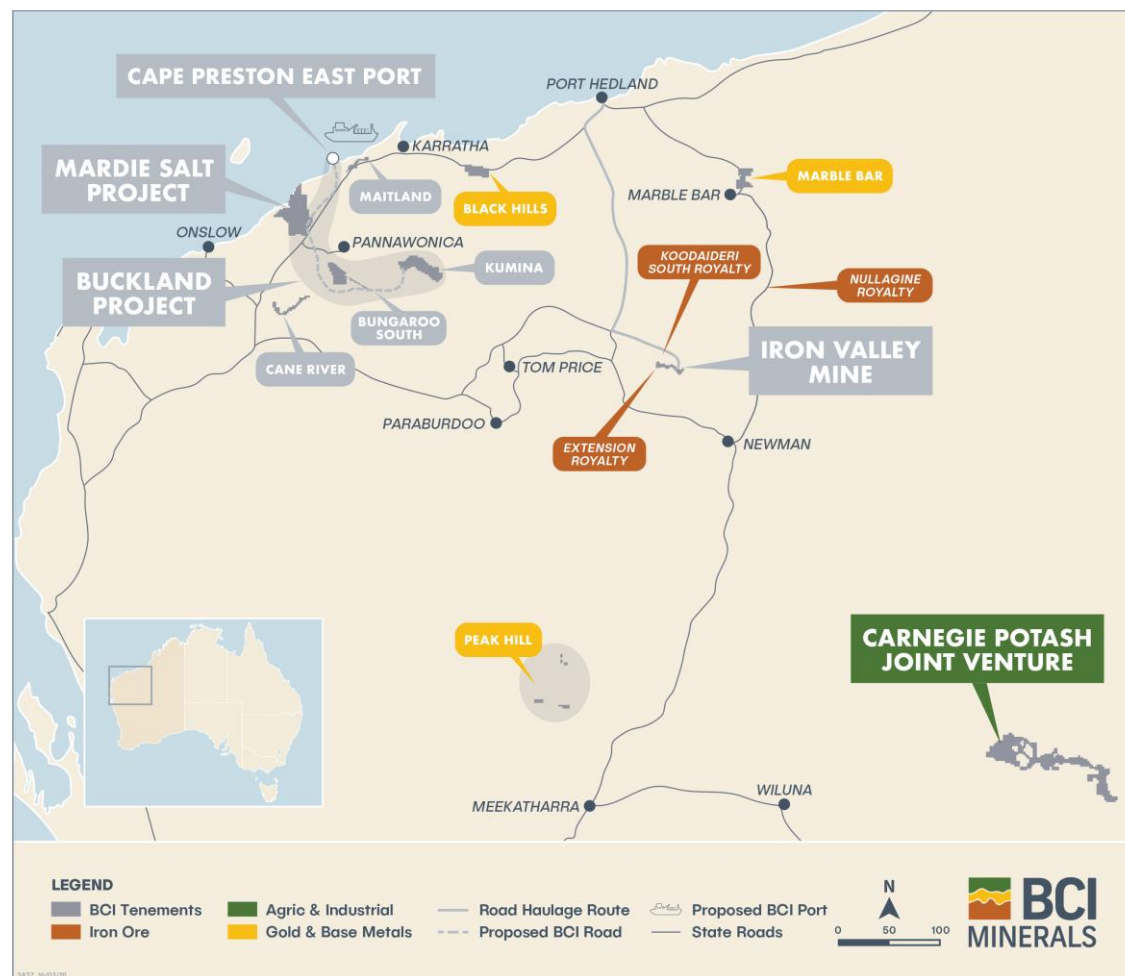
- Kalium Lakes as JV partner and manager
- Scoping Study completion targeted by Jun-18

## Exploration (100% BCI) – Add value & monetise

- Black Hills: base metals
- Marble Bar: gold & lithium
- Peak Hill: gold & base metals
- Munglinup: cobalt & graphite

## Royalties (100%) – Maintain

- Nullagine (FMG): up to 2% of FOB
- Koodaideri South (RIO): 2% of FOB
- Extension (AAMC): up to 2.5% of FOB



1. BCI's interest at conclusion of the Scoping Study.

# Attractive Value Proposition with Upside

**Iron Valley**  
7-15Mtpa  
(royalty earnings)

- Reduced discount levels will improve BCI EBITDA
- BOSS rail system could double production and increase BCI's annual royalty

**Buckland Iron Ore**  
15-20Mtpa  
(100%)

- High grade ore discovery at Kumina will transform product mix and project economics

**Mardie Minerals**  
~3.5Mtpa Salt &  
~50ktpa SOP  
(100%)

- Positive PFS economics will support credible JV or attractive spin-out to benefit all shareholders

**Potential future  
production from  
BCI iron ore  
tenements**

**~30Mtpa**



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