



## CAPE PRESTON EAST PORT - LEASE AGREEMENT EXTENSION

- **Pilbara Ports Authority has approved an extension to the deadline for BC Iron to satisfy (or waive) conditions for the development of the Cape Preston East port**
- **Although this extension provides increased flexibility to BC Iron, a construction ready-status for the integrated Buckland Project by the June 2017 quarter remains BC Iron's firm target**

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BC Iron Limited (ASX:BCI) ("BC Iron" or "the Company") wishes to provide an update on its 100% owned Buckland mine-to-port development project located in the West Pilbara region. The Buckland Project comprises a proposed mine at Bungaroo South and a proposed independent private haul road from the mine to a transshipment port at Cape Preston East (refer to Figures 1 and 2).

BC Iron has an executed Construction Works Lease and Licence ("CWLL") with the Pilbara Ports Authority ("PPA") for a 20 Mtpa transshipment port at Cape Preston East. The CWLL is subject to a number of conditions that need to be satisfied (or waived) as part of the process to secure final approval to commence construction and operations.

BC Iron has made strong progress towards satisfying the conditions that are within its control. In particular, PPA approval has been secured for six development applications, with six related construction applications already submitted to the PPA for review. However, the expected timing for the State Government to complete the vesting of the Cape Preston East land in the PPA is taking longer than originally anticipated by all parties. Accordingly, the PPA has approved a 12 month extension to the conditions deadline date to 26 June 2018.

This extension provides BC Iron with increased time and flexibility to progress its Buckland development plans and approvals. Extensive work has been completed over a number of years to advance the Buckland Project to its current status and BC Iron continues to target a construction ready-status for the Buckland Project by the June 2017 quarter, and is currently evaluating numerous options to determine the optimal development and financing path for Buckland.

**- ENDS -**

**FOR FURTHER INFORMATION:**

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Figure 1: Buckland Project Location and Overview

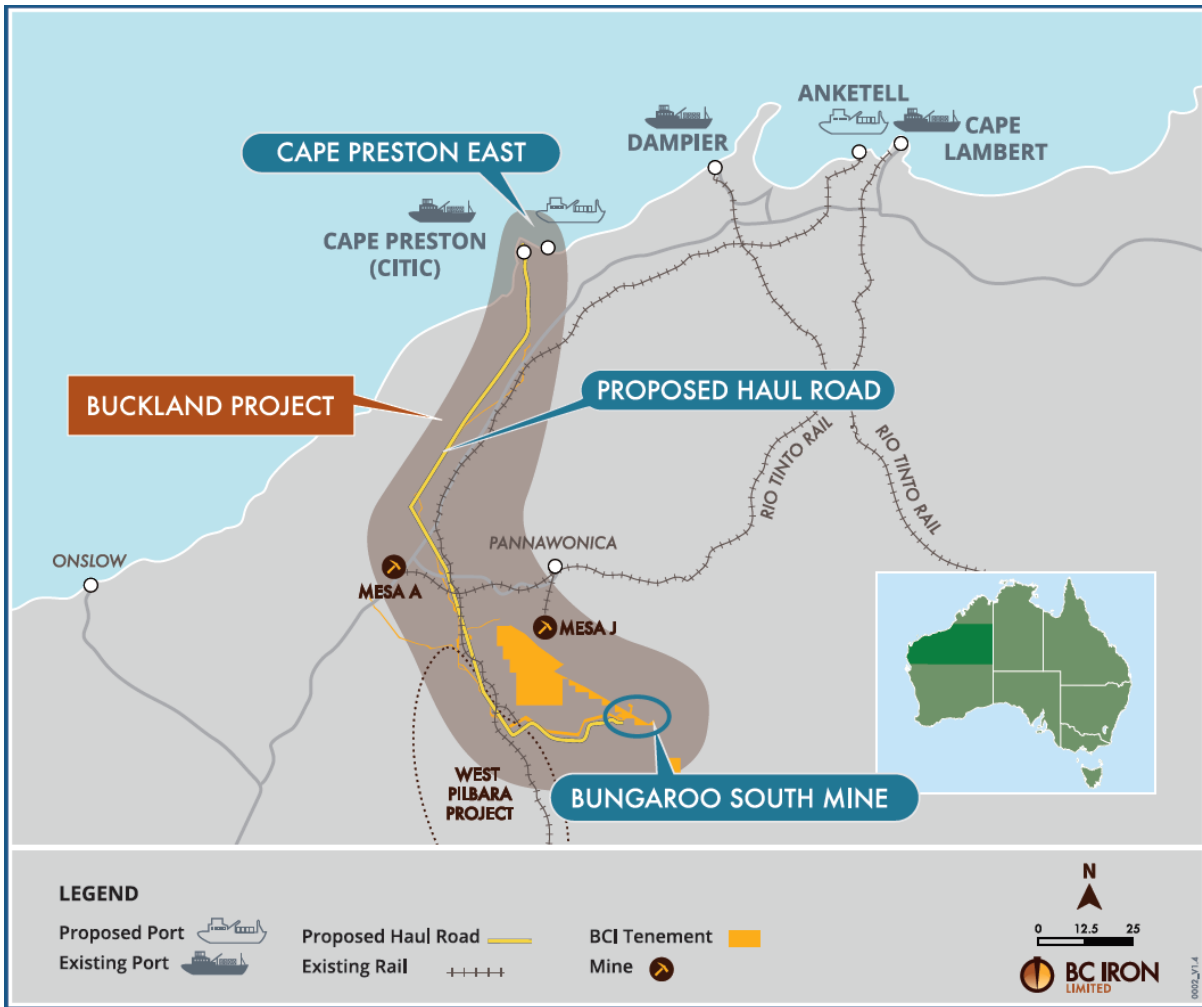
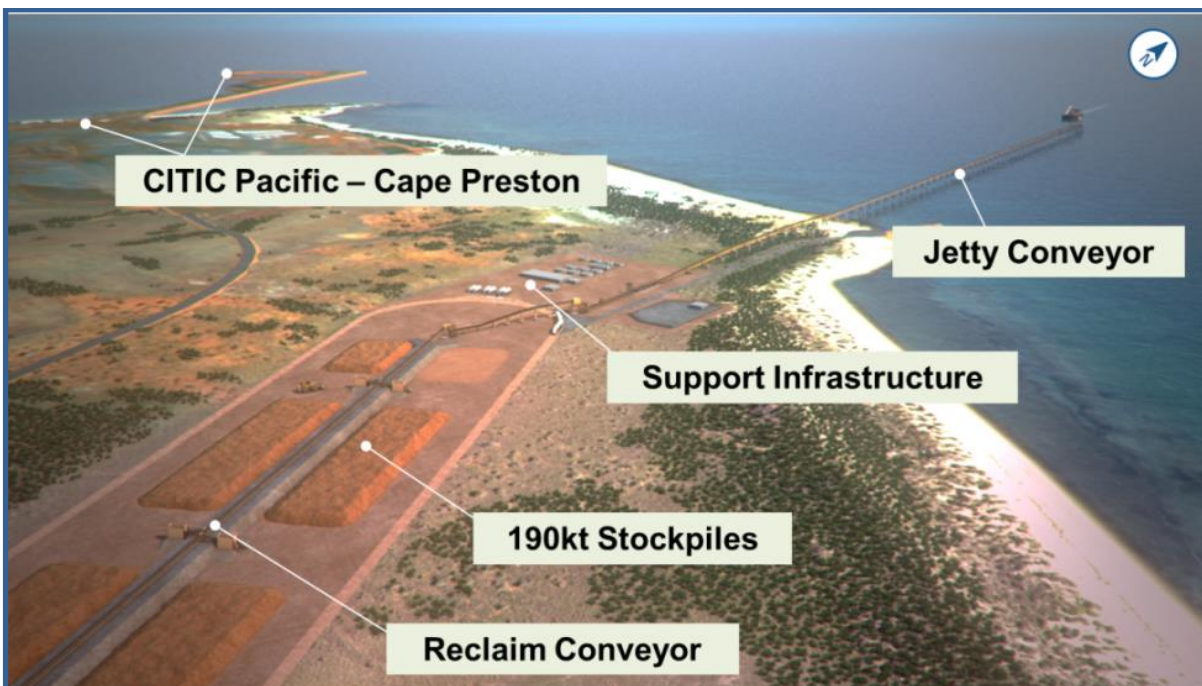


Figure 2: Proposed Cape Preston East Layout



## ABOUT BC IRON LIMITED

BC Iron is an iron ore mining and development company with assets in the Pilbara region of Western Australia, including Iron Valley, Buckland and Nullagine. BC Iron is listed on the ASX under the code 'BCI'.

Iron Valley is a mine located in the Central Pilbara that is operated by Mineral Resources Limited ("MIN") under an iron ore sale agreement. MIN operates the mine at its cost and purchases Iron Valley product from BC Iron at a price linked to MIN's realised sale price. MIN is currently evaluating a range of initiatives that have the potential to improve the long term viability of Iron Valley and its value to both parties.

Buckland is a development project located in the West Pilbara region, comprising a proposed mine at Bungaroo South and its own proposed independent infrastructure solution incorporating a haul road and transshipment port at Cape Preston East. It has Ore Reserves of 134.3 Mt at 57.6% Fe, a completed and announced feasibility study, and all primary tenure and licences secured.

Nullagine is an unincorporated 75:25 joint venture with Fortescue Metals Group Limited ("Fortescue"), which commenced exports in February 2011. The Nullagine Joint Venture has the capacity to rail and export up to 6Mtpa of ore on Fortescue's infrastructure. Operations are temporarily suspended due to market conditions.

BC Iron also has an interest in a number of other exploration stage projects in the Pilbara and potential royalties over the Koodaideri South and North Marillana tenements.

## KEY STATISTICS

<b>Shares on issue:</b>	196.3 million	
<b>Cash and cash equivalents:</b>	A\$9.5 million	as at 30 June 2016
<b>Board:</b>	Tony Kiernan	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Martin Bryant	Non-Executive Director
	Andy Haslam	Non-Executive Director
	Brian O'Donnell	Non-Executive Director
<b>Major shareholders:</b>	Wroxby Pty Ltd	19.0%

Website: [www.bciron.com.au](http://www.bciron.com.au)