



BC Iron Returns to Profit

RIU Conference

Alwyn Vorster – Managing Director

23 February 2017

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Corporate Overview



Capital Structure (17-Feb-17, unless stated)

Ordinary Shares	392.5m
Share Price	\$0.29
Market Capitalisation	\$113.8m
Cash (31-Dec-16)	\$32.3m
Deferred Royalties (31-Dec-16)	\$3.9m
Enterprise Value	\$85.4m

Share Price History



Board

Brian O'Donnell	Non-Executive Chairman
Alwyn Vorster	Managing Director
Martin Bryant	Non-Executive Director
Andy Haslam	Non-Executive Director

Senior Executives

Simon Hodge	CFO
Rubini Ventouras	General Counsel
Michael Klvac	Manager Approvals
Rudolph van Niekerk	Manager Projects

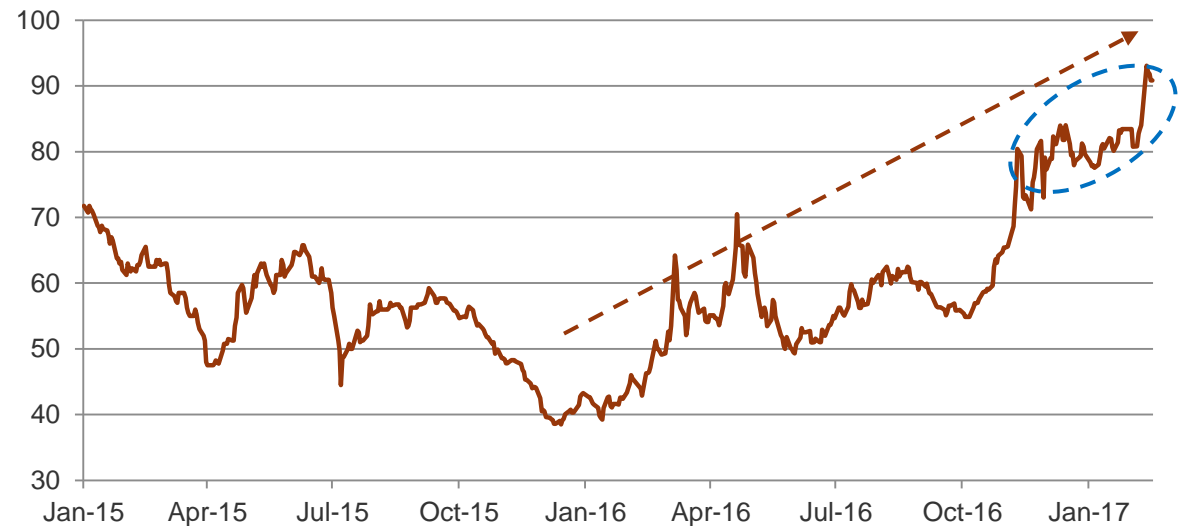
Major shareholders

Wroxby Pty Ltd	26.0%
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Iron Ore Market

- Iron price outperformed expectations during 2016 and 2017 YTD
- Recent price rally particularly strong and sustained - around US\$80/dmt for the last 3 months
- Both long term (increased Chinese infrastructure spending) and short term (restocking / wet season) factors
- Increasing confidence in sustainability of prices in short to medium term - forward curve above US\$75/dmt for next 9 months

CFR 62% Fe Iron Ore Price (US\$/dmt)



Half-Year Financial Results

- Return to profitability at Group EBITDA and Group Profit after Tax level
- Iron Valley Mine royalty revenue of \$35.4M and EBITDA of \$12.8M from sales of 4.2Mt
- Full FY17 EBITDA guidance for Iron Valley of **\$18M-\$25M¹**
 - ❖ H1 FY17 headline iron ore price average US\$65/dmt
 - ❖ H2 FY17 YTD price average of >US\$80/dmt
 - ❖ Iron Valley guidance under review given strong market conditions

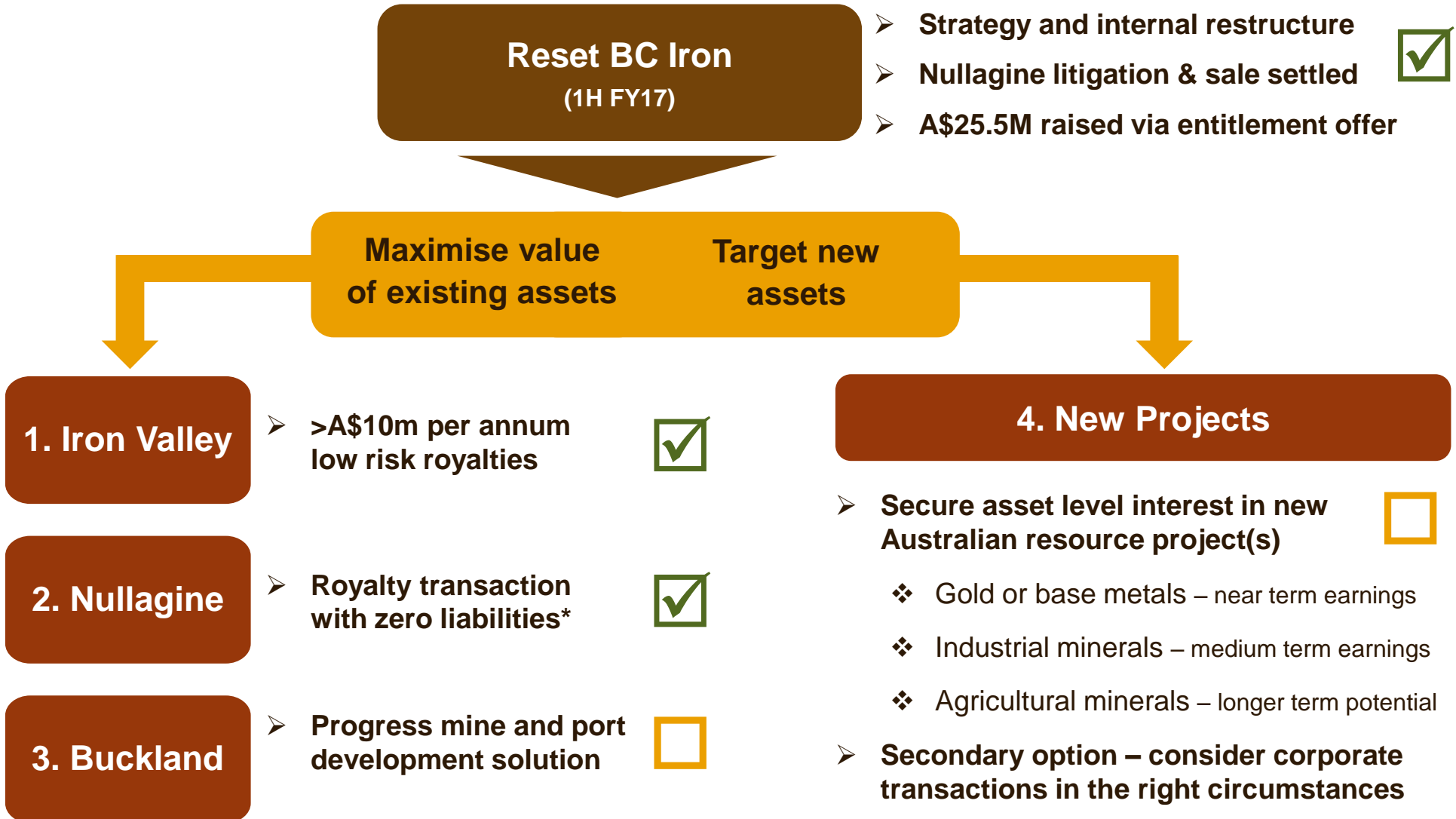
Profit and loss	H1 FY17 \$M	H1 FY16 \$M
Revenue	35.5	18.7
Profit/(loss) before tax	7.7	(2.7)
Profit/(loss) after tax from continuing operations	7.7	(0.9)
Loss after tax from discontinued operations	(1.1)	(72.0)
Total profit/(loss) after tax	6.6	(72.9)

EBITDA contribution	H1 FY17 \$M	H1 FY16 \$M
Iron Valley	12.8	4.5
Buckland	(0.5)	(1.3)
Other	(3.0)	(2.2)
EBITDA from continuing operations	9.3	1.0
EBITDA from discontinued operations	(0.8)	(3.1)
Total EBITDA	8.5	(2.1)

1. Based on assumptions set out in ASX announcement dated 12-Jan-17.

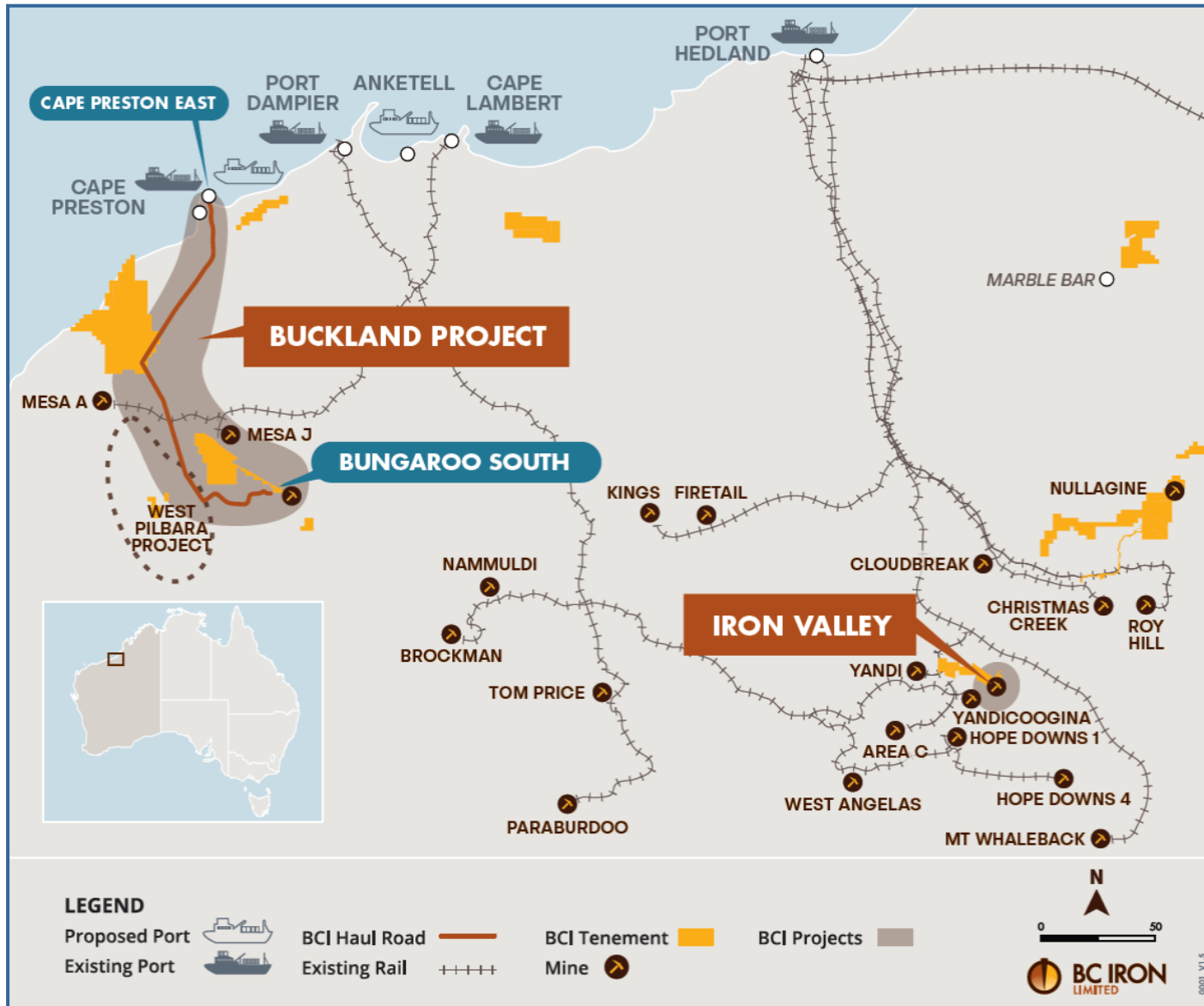
BCI FY17 Strategy Map

Establish diversified portfolio of mineral project interests (100% owned / JVs / royalties)



* Completion anticipated to occur in Mar-17 quarter.

Location of Current Key Projects

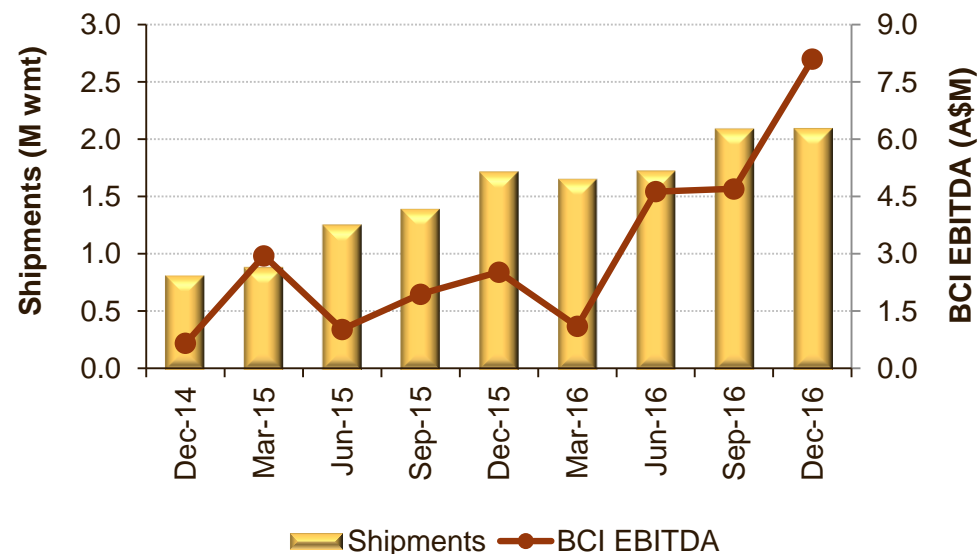


Iron Valley Mine

- Royalty-type agreement with Mineral Resources Limited (MIN) providing low-risk cash flows for BCI
- BCI not required to contribute any normal operating cost (only paying royalties)
- Simple DSO operation and ~50% lump production with a price premium
- Potential mine life of around 15 years
- MIN consistently outperforming production forecasts
- Record BCI EBITDA for three consecutive quarters, with Dec-16 quarter delivering **A\$8.1m**
- Full FY17 EBITDA guidance from Iron Valley: **A\$18-25m¹**



Iron Valley Quarterly Performance



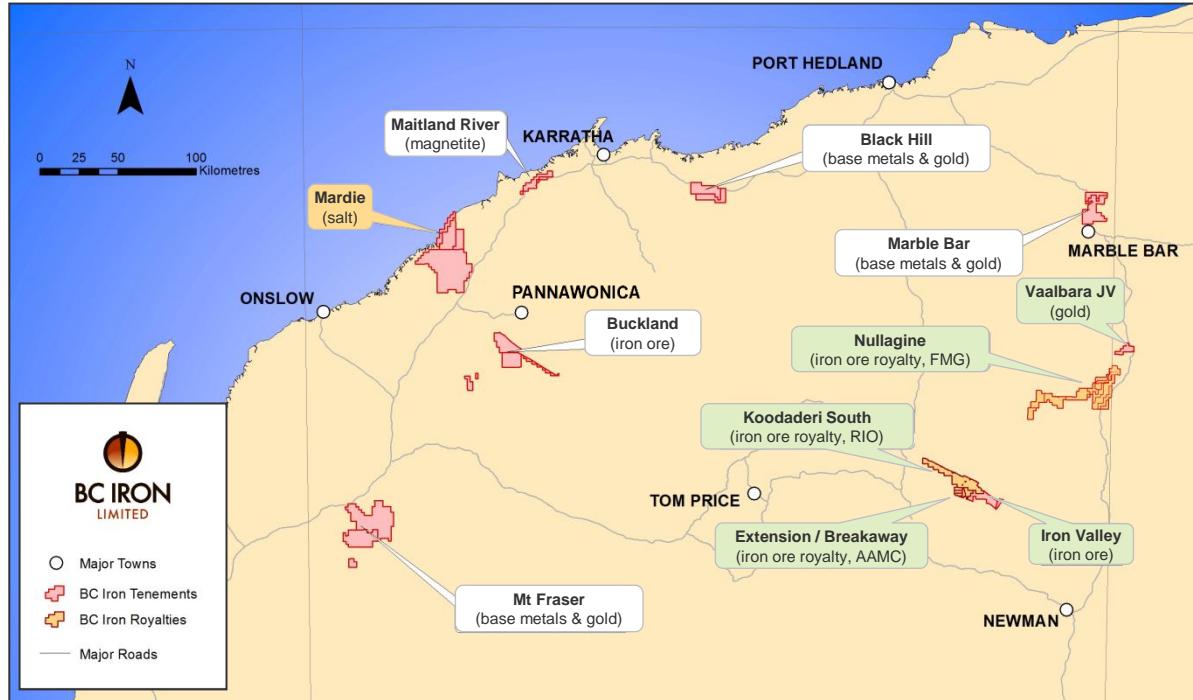
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Buckland Project

- Proposed 10-20 Mtpa mine at Bungaroo South, private haul road linking the mine with proposed transshipment port at Cape Preston East
- Ore Reserves of 134Mt at 57.6% Fe
- All primary permits and approvals secured for mine, road and port (20 Mtpa & 20-year lease option)
- Targeting construction-ready status by June 2017
- Preference to establish a project structure that reduces BCI's risk and funding requirement (e.g. JV and/or royalty structure)
- Discussions ongoing with potential development and funding partners
- Increased project attractiveness at improved iron ore prices



Other Royalties and Exploration Tenements



Royalties & Free-carried Interests (in addition to Iron Valley)

- Nullagine (Fortescue)¹: 1-2% FOB royalty for DSO and \$0.5-1.0/t royalty for low grade (75% of ore mined)
- Koodaderi South (Rio Tinto): 2% FOB royalty
- Extension / Breakaway (AAMC)² : up to 2.5% FOB royalty
- Vaalbara JV (with Creasy Group): 20% free-carried interest

Mardie Salt

- Scoping study on a 3 Mtpa solar salt project targeted for Mar-17 quarter

Exploration

- Gold & base metals (three project target areas)

1. Nullagine royalty is subject to completion of the sale to Fortescue.
2. Breakaway royalty is subject to AAMC exercising its option to acquire the project.

Gold and Base Metals

- Gold being targeted as the most likely commodity for near term earnings potential
- Selected base metals also have attractive fundamentals (e.g. zinc) – attractive Aus projects with near term production are rare



- During the last 6-months, BCI evaluated multiple gold (and multi-metal) projects
- Discussions ongoing in relation to several prospective gold opportunities

Potash

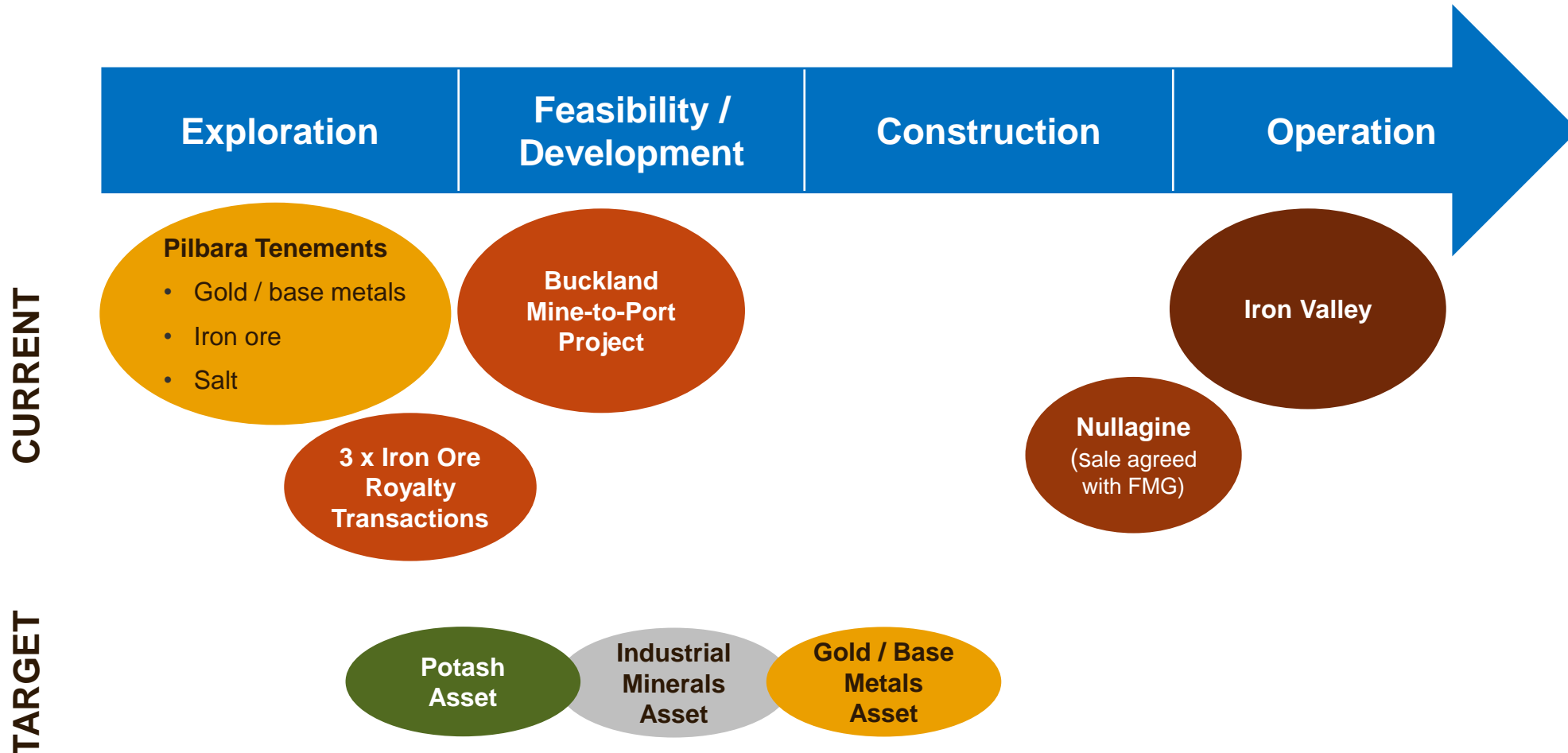
- Attractive long term market dynamics for agricultural commodities
- Demand directly linked to:
 - ❖ Global population growth *and*
 - ❖ Limited available arable land *and*
 - ❖ Requirement for lower chloride fertilisers



- During the last 6-months, BCI has evaluated all credible Australian projects
- Positive discussions underway to secure interest in preferred project

Unique Asset Portfolio

BCI is differentiated from most other small cap companies, with assets across all phases of the development pipeline



Summary

- Strong cash position and Iron Valley earnings underpin project expenditure and growth strategy
- Clear strategy to establish BC Iron as manager of (or partner in) a diversified mineral portfolio
- **Existing assets:** optimise Iron Valley earnings; progress Buckland development & funding solution; monetise secondary projects
- **New assets:** focus on value creation within acceptable risk profile – e.g. Australia based and near term earnings and/or attractive long term fundamentals – gold and potash highest priorities
- BCI will also actively monitor potential corporate synergies to achieve its diversification and earnings strategy



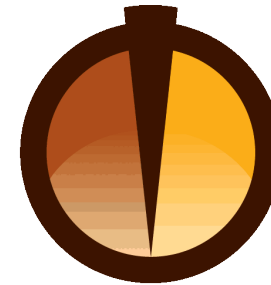
Iron Valley



Bungaroo South (Buckland)



Cape Preston East (Buckland)



BC IRON

LIMITED

Level 1, 15 Rheola Street
West Perth, WA, Australia
Phone : +61 8 6311 3400
Email : info@bciron.com.au
Web : www.bciron.com.au