

## **BCI SECURES PROSPECTIVE PILBARA TENEMENTS TO ENHANCE BUCKLAND PROJECT**

- **West Pilbara tenements acquired from Mineralogy Pty Ltd covering a total area of more than 600km<sup>2</sup> which are prospective for iron ore and other minerals**
- **Includes one of the Pilbara's largest underexplored contiguous tenement packages**
- **Potential to host iron ore deposits which are complementary to BCI's Buckland Project**
- **\$2M cash deposit, \$7M cash payment upon completion and FOB royalty of 2.0-3.5%**

---

BC Iron Limited (ASX:BCI) ("BCI" or "the Company") is pleased to announce that it has secured a number of prospective and underexplored West Pilbara tenements from Mineralogy Pty Ltd ("Mineralogy").

The Mineralogy tenements comprise two groups of tenements which are located within economic trucking distance of BCI's proposed Cape Preston East Port (refer to map in Appendix 1). Minimal exploration work has been conducted on the tenements during decades of ownership by Mineralogy. The tenements have the potential to host iron ore deposits which could increase the throughput of the Company's Buckland Project and enhance the value and marketability of the proposed "Buckland Blend".

The eastern tenements (Kumina tenements) comprise three granted exploration licences covering an area of approximately 480km<sup>2</sup> and are considered by BCI to be highly prospective. The tenements are contiguous with the Australian Premium Iron Joint Venture's Kumina Creek deposits.<sup>1</sup>

The western tenements (Cane River tenements) cover an area of approximately 140km<sup>2</sup> and contain mapped and interpreted paleochannels which have the potential to host channel iron deposits.

Upon completion of the acquisition, BCI plans to conduct an initial exploration programme on the tenements to assess their potential to contribute to the Buckland Project, before fast-tracking further exploration and feasibility study work as required.

BCI has entered into binding agreements to acquire the tenements from Mineralogy for the following total consideration:

- \$2M in cash upon execution of the agreements;
- \$7M in cash upon completion of the acquisition of both tenement packages;
- An iron ore royalty of 2.0% of FOB revenue on the first 100Mt of iron ore mined, increasing to 3.5% of FOB revenue on any iron ore in excess of 100Mt mined; and

---

<sup>1</sup> The Australian Premium Iron Joint Venture's Kumina Creek and Kumina Creek East deposits contain Mineral Resources (JORC 2004) of 59Mt at 57.5% Fe and 102Mt at 57.3% Fe respectively. Refer to ASX announcements by Aquila Resources Limited dated 24 April 2009 and 31 January 2013.

- A 3.5% royalty on the value of any other minerals sold from the tenements.

Completion of the acquisition will occur in 2 stages:

1. Kumina tenements will complete once tenements are withdrawn from the Mineralogy State Agreement; and
2. Cane River tenements will complete once specific transfer approvals are obtained.

As part of the transaction, Mineralogy will provide consent for a miscellaneous licence to be granted to BCI across Mineralogy's other tenements to facilitate haulage from BCI's Mardie Salt Project.

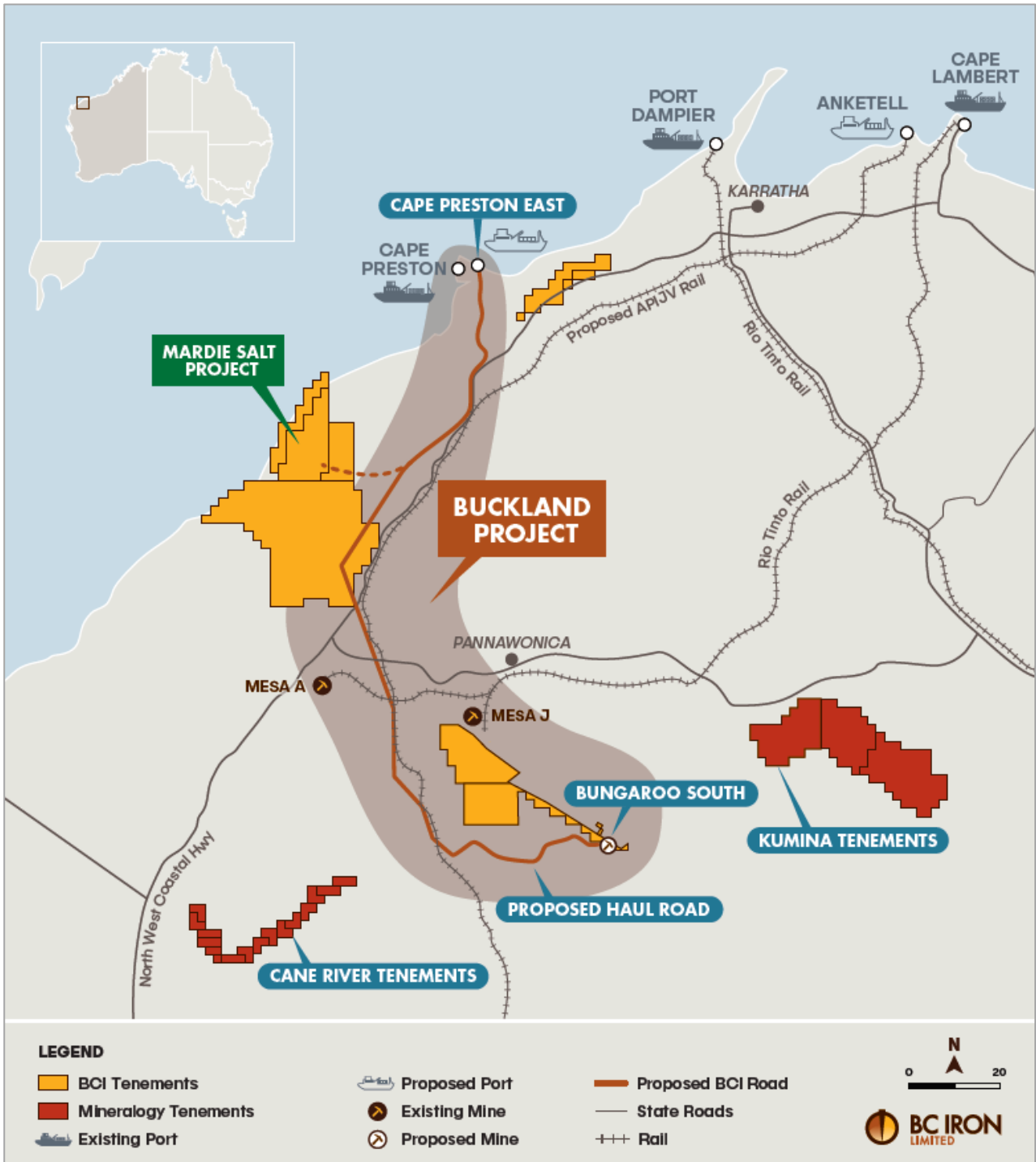
Commenting on the acquisition, BCI's Managing Director, Alwyn Vorster, said *"This transaction is the result of significant negotiations with Mineralogy over many months. Given that the tenements have been largely unexplored or underexplored for many decades, it presents a relatively unique opportunity for BCI to implement an extensive exploration program for iron ore and other minerals in the Pilbara."*

**- ENDS -**

**For further information:**

Alwyn Vorster  
Managing Director  
BC Iron Limited  
Telephone: +61 8 6311 3400

# APPENDIX 1: LOCATION OF THE MINERALOGY TENEMENTS



## ABOUT BCI

BCI is an ASX-listed resources company that is managing a portfolio of iron ore and other mineral interests.

Iron ore is the Company's core focus, with the key assets of Iron Valley and Buckland providing a complimentary mix of existing earnings and growth potential.

Iron Valley is an iron ore mine located in the Central Pilbara, which is operated by Mineral Resources Limited (ASX: MIN) and is generating royalty earnings for the Company.

Buckland is a strategic iron ore development project located in the West Pilbara region, comprising a proposed mine at Bungaroo South and a proposed infrastructure solution incorporating a haul road and transshipment port at Cape Preston East.

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

BCI is establishing an agricultural and industrial minerals business, which currently includes a joint venture over the Carnegie Potash Project with Kalium Lakes Limited (ASX: KLL) and the 100%-owned Mardie Salt Project.

BCI is also seeking to create a presence in gold and/or base metals, primarily targeting project level interests in Australian assets.

## KEY STATISTICS

|                                   |                   |                        |
|-----------------------------------|-------------------|------------------------|
| <b>Shares on issue:</b>           | 392.5 million     |                        |
| <b>Cash and cash equivalents:</b> | \$36.4 million    | as at 30 June 2017     |
| <b>Board:</b>                     | 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 |
| <b>Major shareholders:</b>        | Wroxby Pty Ltd    | 27.7%                  |

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