

MOU WITH SINOSTEEL FOR THE BUCKLAND PROJECT

- **Memorandum of Understanding ("MOU") signed with Sinosteel Australia Pty Ltd to support development of the Buckland Project**
- **Sinosteel Australia is a related entity of Sinosteel Group Corporation Limited, one of China's largest and most influential state-owned enterprises**
- **The non-binding MOU provides a framework for cooperation towards potential binding agreements in relation to marketing and offtake, engineering services and funding within a joint venture structure**

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to announce that it has signed a non-binding memorandum of understanding ("MOU") with Sinosteel Australia Pty Ltd ("Sinosteel Australia") to support the development of BCI's 100% owned Buckland Project.

The MOU provides a framework for cooperation towards potential binding agreements in relation to:

- Marketing and offtake, including Sinosteel Australia facilitating discussions between BCI and potential offtake partners, and potential direct offtake by Sinosteel Australia;
- Provision of engineering services by Sinosteel Equipment and Engineering Co Ltd ("Sinosteel MECC"); and
- Funding and joint venture structures, including Sinosteel Australia facilitating discussions between BCI and potential funding partners, and potential joint venture investment by Sinosteel Australia.

Sinosteel Australia and Sinosteel MECC are related entities of Sinosteel Group Corporation Limited ("Sinosteel"), one of China's largest and most influential state-owned enterprises. Sinosteel is active in the development, mining and processing of metallurgical mineral resources, trading, research and logistics. It has a global sales network and logistics system, and is a leading trader of iron ore in China with annual sales of approximately 13Mt. Sinosteel, through Sinosteel Australia, has been a partner with Rio Tinto for 30 years in the Channar Mining Joint Venture, which has produced more than 250Mt of iron ore.

The Buckland Project is a strategic development project located in the West Pilbara region, comprising proposed mines, a private haul road and a new port at Cape Preston East. BCI is the foundation proponent and lease holder of the proposed 20Mtpa Cape Preston East port development, which BCI envisages becoming a multi-commodity, multi-user port exporting 15Mtpa of "Buckland Blend" iron ore, 3Mtpa of salt from BCI's Mardie Salt Project and 2Mtpa of other products.

Drilling is currently underway at the Kumina deposit with the aim of defining a Mineral Resource by March 2018 and completing a study on integrating Kumina with Bungaroo South and Cape Preston East by June 2018. BCI is then aiming to resolve the Buckland Project's ownership, contracting and procurement model and offtake arrangements during the second half of 2018, with a final investment decision targeted early in 2019.

Subject to positive project progress and agreement of commercial terms, BCI and Sinosteel Australia envisage entering into one or more formal agreements during the second half of 2018.

Commenting on the MOU, BCI Managing Director, Alwyn Vorster, said: "*Involving a credible and experienced partner such as Sinosteel provides momentum to the development of the Buckland Project. Sinosteel has a long and successful history of partnering in Pilbara iron ore projects and we look forward to working with them to ensure that potential joint venture, offtake, development and funding arrangements can be progressed in a mutually beneficial manner.*"

-ENDS-

For further information:

Alwyn Vorster

Managing Director

BCI Minerals Limited

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APPENDIX

Figure 1: Buckland Project Location

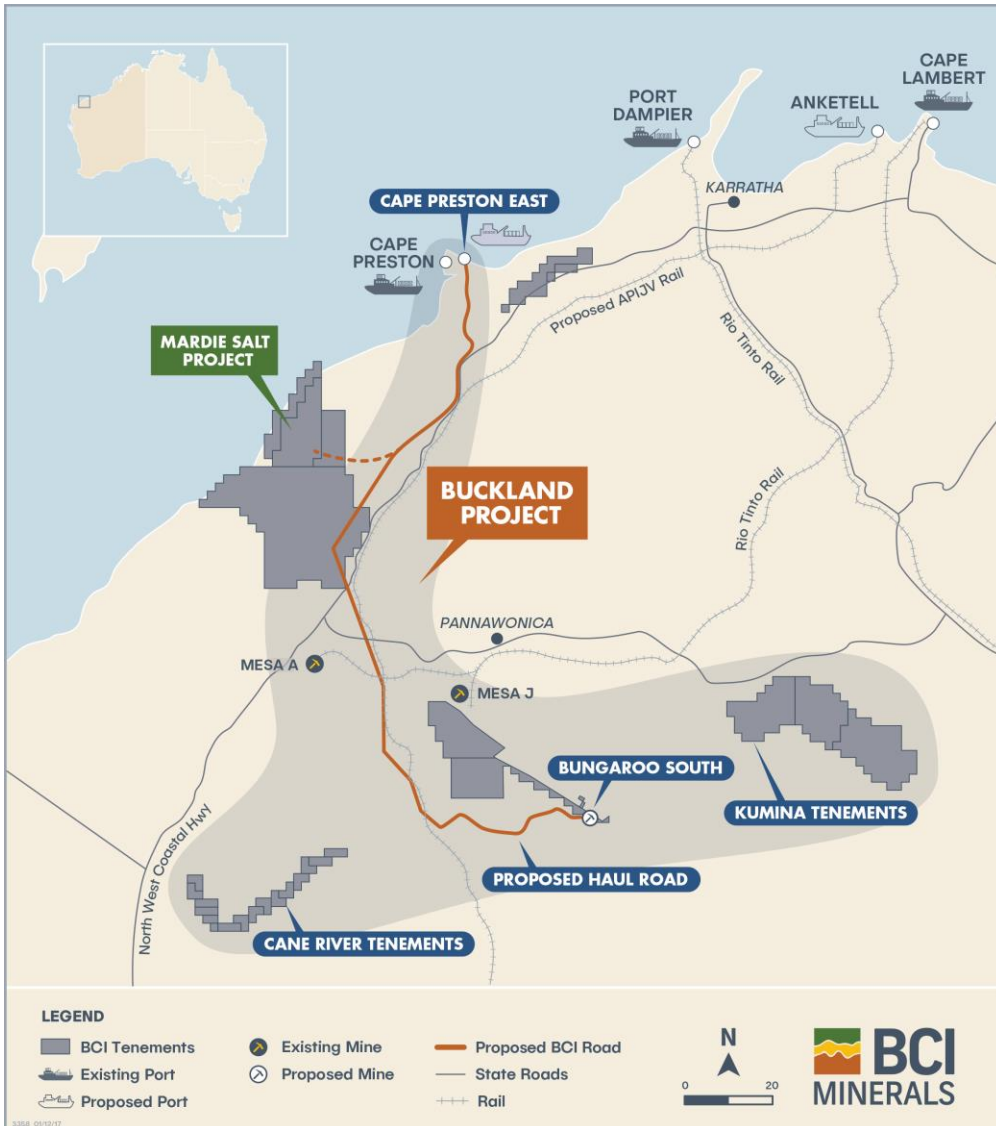


Figure 2: Artist's Impression of Cape Preston East



ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("BCI") is an ASX-listed resources company with an attractive portfolio of mineral interests.

BCI's strategy is to maximise value from its iron ore portfolio, create a presence in gold and/or base metals, and become an influential Australian player in the agricultural and industry minerals industry.

Iron ore remains a key focus for the Company, with the key assets of Iron Valley and Buckland providing a complementary 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 100%-owned strategic iron ore development project located in the West Pilbara region, comprising proposed mines at Bungaroo South, Kumina and other deposits, and a proposed private 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 developing an agricultural and industrial minerals business, which includes the 100%-owned Mardie Salt Project, which has a completed Scoping Study, and the Carnegie Potash Project where BCI is a joint venture partner of Kalium Lakes Limited (ASX:KLL).

BCI is also seeking to create a presence in gold and base metals, primarily targeting its 100% owned regional exploration tenements.

KEY STATISTICS

Shares on issue:	395.0 million	
Cash and cash equivalents:	\$23.6 million	as at 30 September 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	