

IRON ORE DIVESTMENT UPDATE

SALE OF KUMINA IRON ORE PROJECT

BCI Minerals Limited (ASX:BCI) ("BCI" or the "Company") is pleased to provide this update on its previously announced iron ore asset divestment process. Discussions with prospective purchasers are continuing on several assets, but BCI is pleased to advise that it has agreed to sell its Kumina Iron Ore Project to Mineral Resources Limited ("MIN") for total consideration of A\$35M cash.

Consideration is payable in three tranches, comprising A\$27M upon completion of the sale, A\$4M upon first export of iron ore from Kumina and A\$4M at 12 months after first export.

Completion of the sale is subject to conditions such as transfer of tenement ownership and third-party consents and assignments. BCI expects completion of the Kumina sale will be achievable before the end of 2018.

BCI's Managing Director, Alwyn Vorster said: *"A positive return on the Kumina investment has been achieved given that the tenements were acquired for less than A\$9 million in late 2017 followed by a modest initial 6-month exploration program which resulted in a maiden JORC Mineral Resource¹ of 115Mt at 58% Fe.*

"Proceeds from the Kumina sale will be sufficient to fast track the development of BCI's 100% owned Mardie Salt & Potash Project during 2019, including finalising a Definitive Feasibility Study (DFS), establishing test evaporation ponds and completing construction of project support infrastructure."

Kumina is only one of several iron ore packages being considered for divestment (refer to map in Appendix A), the others being:

- Iron Valley – a mine operated by MIN with royalties payable to BCI (FY17 EBITDA of A\$18.3M and FY18 EBITDA of A\$5.6M – all BCI 100% basis) and a 198Mt JORC Mineral Resource¹;
- Bungaroo South tenements and the Cape Preston East (CPE) port rights – 283Mt JORC Mineral Resource¹ with a Feasibility Study and all required primary approvals in place to develop a mine, road and port project; and
- Other assets including the Maitland River Magnetite Project, located 20km from CPE.

Discussions continue in relation to divestment of other BCI iron ore assets with several qualified prospective purchasers. BCI will only enter into further transactions if appropriate value can be realised. The Company will keep shareholders informed of any developments in relation to the iron ore divestment process, in accordance with its continuous disclosure obligations.

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¹ Refer to BCI's announcement "Updated Mineral Resources and Ore Reserves" dated 18 October 2018 for further details. BCI is not aware of any new information or data that materially affects the information included in that document.

For further information on the transaction:

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APPENDIX A: BCI'S IRON ORE ASSETS



ABOUT BCI MINERALS

BCI Minerals Limited (ASX:BCI) ("BCI") is an Australian-based resources company that is developing an industrial minerals business (including salt and potash) supported by iron ore divestment proceeds (including potential royalty earnings).

BCI's focus is on advancing its 100% owned Mardie Salt & Potash Project, located on the West Pilbara coast in the centre of Australia's key salt production region. BCI has completed a positive Pre-Feasibility Study on a solar evaporation operation producing 3.5Mtpa salt and 75ktpa sulphate of potash. A Definitive Feasibility Study is underway with all approvals and a Final Investment Decision targeted by late 2019.

BCI has commenced a process for the divestment of its iron ore portfolio, which includes Iron Valley, Kumina, Buckland and other assets. BCI has entered into an agreement to sell Kumina to Mineral Resources Limited (ASX:MIN) for total consideration of A\$35M cash.

Iron Valley is an operating iron ore mine located in the Central Pilbara region of Western Australia, which is operated by MIN. Iron Valley is generating quarterly royalty earnings for BCI.

Buckland is an iron ore development project located in the West Pilbara, comprising a potential 8Mtpa mine at Bungaroo South and exclusive lease and development rights for a 20Mtpa port facility at Cape Preston East.

In addition to these projects, BCI is a 30% joint venture partner of Kalium Lakes Limited (ASX:KLL) in the Carnegie Potash Project, and owns exploration tenements at Marble Bar (gold and lithium) and Black Hills (gold and base metals) in the Pilbara, Peak Hill (gold and base metals) in WA's Midwest region, and Munglinup (nickel and graphite) in southern WA. The Company's portfolio also includes potential iron ore royalties over the Nullagine (FMG), Koodaideri South (Rio Tinto) and Extension (AAMC) tenements.

KEY STATISTICS

Shares on issue:	397.6 million	
Cash and cash equivalents:	\$13.1 million	as at 30 June 2018
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	27.6%
Website:	www.bciminerals.com.au	