



## **COMPANY UPDATE**

24 December 2015

### **HIGHLIGHTS**

- Merger Implementation Agreement executed for BCD to acquire the significant Tailings, Processing Plant and Infrastructure assets at Hellyer Tasmania
  - Further milestones completed toward ASX relisting during February 2016
  - Hellyer Project recommissioning and funding requirements progressing
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### **MERGER IMPLEMENTATION AGREEMENT**

Further to the previous ASX Announcement of the 11th November 2015, BCD Resources NL (ASX: BCD) ("BCD" or the "Company") is pleased to announce it has now executed the Merger Implementation Agreement (MIA or Agreement) with Keen Pacific Limited ("KPL") KPL, to acquire their wholly owned subsidiary IVY Resources Ltd ("IVY") comprising the Hellyer Tailings and Processing Plant assets in Tasmania.

Implementation of the Agreement will see the two parties combine their respective assets, to enable the prompt recommencement of processing and recovery of tailings material at Hellyer to produce a suite of base metal and precious metal concentrate products. The revamped Hellyer Project will also produce significant quantities of a saleable Pyrite by-product for export.

Completion of the MIA is expected to be finalised during the first quarter of 2016 and is subject to the necessary ASX, regulatory and shareholder approvals.

### **ESSENTIAL TERMS**

In consideration for the Hellyer assets acquisition BCD has agreed to issue KPL, or its nominees, sufficient shares in BCD to deliver to KPL approximately 90% of the post- merger issued capital of BCD, subject to shareholder and regulatory approval.

As part of the MIA, KPL has committed to immediately provide a working capital facility of A\$0.75M to cover working capital and project development requirements, including metallurgical test work optimisation and the undertaking of necessary preliminary project works at both Hellyer and Beaconsfield.

Completion of the MIA is subject to standard conditions precedent including the effectuation of a satisfactory Deed of Company Arrangement (“DOCA”) and a Forbearance Agreement from BCD’s secured creditor MKS Precious Metals (Australia) Pty Ltd (“MKS”) and with Eclectic Investments Limited (“Eclectic”) a company related to BCD Chairman Mr Clive Carroll.

The Company’s existing lenders MKS and Eclectic have provided the funds necessary to effectuate the DOCA and for other immediate working capital requirements. In addition, MKS and Eclectic have now met the conditions precedent in the MIA by executing the Deed of Forbearance providing the Company with over 12 months forbearance on repayment of MKS and Eclectic loans, allowing the Company to fully restructure and raise additional funding for its future operations at Hellyer and Beaconsfield.

BCD confirms the funds required to effectuate the DOCA have been transferred to Gregory Winfield Hall and William Anthony Honner from PricewaterhouseCoopers as Administrators (Administrators) following the signing of the MIA.

## **POST MERGER ASSETS**

Following the completion of the merger the Company will hold a significant and valuable portfolio of income producing assets. The existing processing and infrastructure assets at Beaconsfield and Hellyer remain in good condition and retain significant value. Hence, refurbishment costs will be low and the time necessary to complete recommissioning requirements should be less than 6 months.

More significantly, the Hellyer Tailings Resource contains insitue hundreds of millions of dollars of saleable products. The proposed low cost integrated process flow sheet, utilising and optimising both the Beaconsfield and Hellyer facilities will materially underpin the economic viability of the Company’s business model.

In addition, BCD has now gained access to the Mt. Charter gold deposit and the nearby and significant Fossey Barite deposit as part of the asset acquisition package.

BCD also owns the Lorena Gold Project processing plant near Cloncurry in Queensland. This asset is now regarded as non-core. The Company is in negotiation with its previous Joint Venture partner Malachite Resources to purchase this asset.

## BUSINESS MODEL

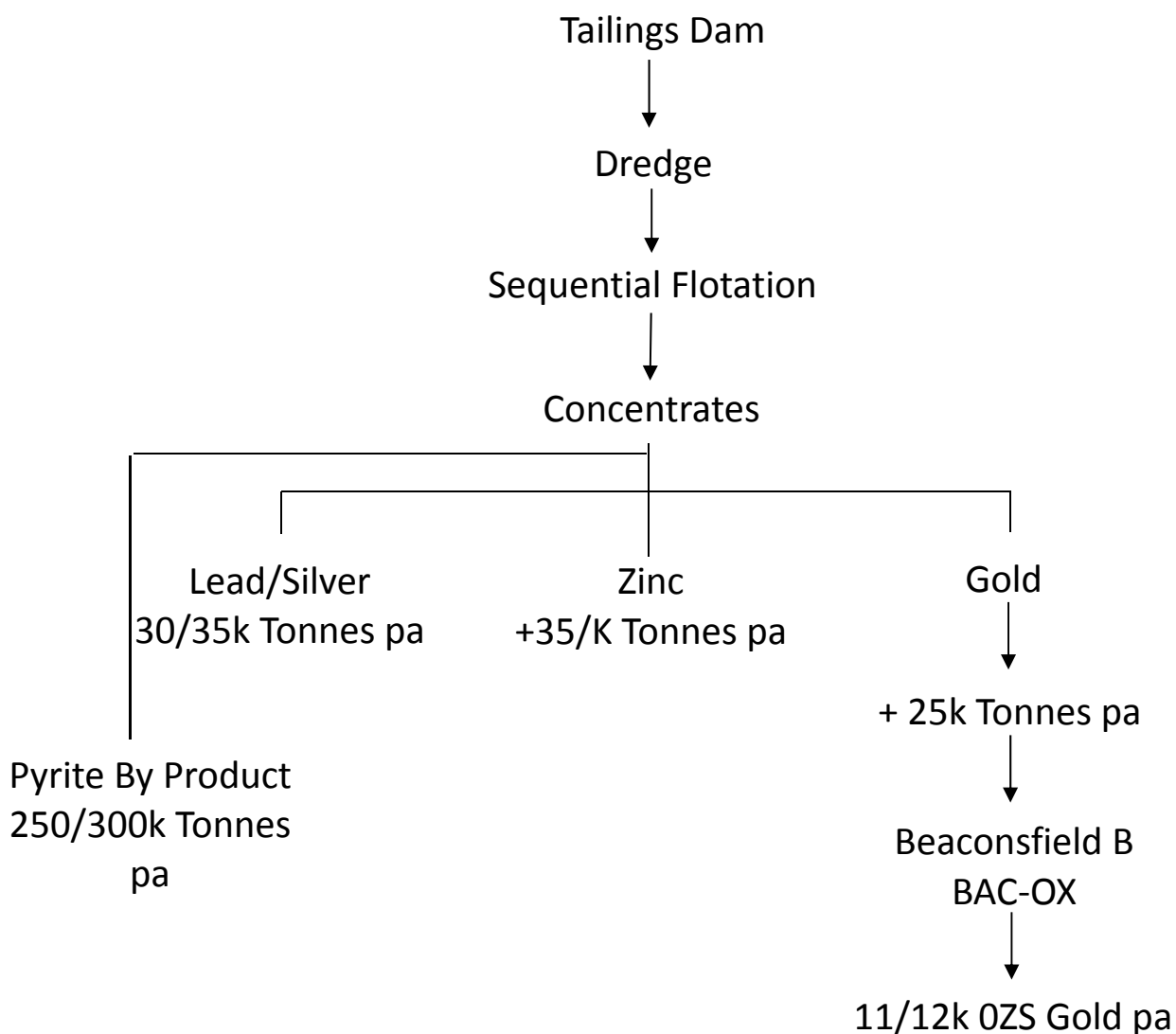
The major priority for the Company is to commence the dredging of the Hellyer Tailing deposit and fast track the production and sale of the various multi-metal products via the below low cost treatment process.

Subject to receipt of the necessary final Project approvals, and completion of the funding and marketing arrangements, Hellyer should be producing and selling 4 separate products.

Very low Capex requirements and 7 year plus Stage 1 project life, lay the foundation for a profitable, business operation at current metal prices. The Company is well positioned to exploit any improvement in the base metal and precious metal price cycle.

Refurbishment of the Beaconsfield Bacox facility is nearing completion and processing of imported Au containing concentrate should commence during early 2016.

## PROCESS PLAN



## BOARD APPOINTMENTS

The Company is also pleased to announce two new appointments to the BCD Board of directors. Non - Executive Director. Mr. Adrian Lungan, who is a director of KPL, has agreed to join the Board as a Non - Executive Director. Adrian has thirty-five years' experience in minerals and exploration and mining, specialising in gold, copper, base metals and diamonds in Asia, China, Australia, Africa, South America and Pacific Rim.

He was the founder of Uramin Inc. (AIM-Listed) the company that spearheaded the development of the world-class Trekkopje uranium deposit on Namibia; in 2006. In China he established the coal company CCEC Ltd., which was purchased by the Regent Pacific Group.

Adrian has extensive experience at both the corporate and technical level in the minerals industry. He has been involved in mining, exploration, project design, and implementation worldwide.

Ms Richelle Greenwood, the current Chief Operating Officer will join the board as an Executive Director. The new appointments will officially occur in January 2016.

Mr Clive Carroll BCD Chairman said "Both new directors bring a diverse and complimentary skillset to the Company and will no doubt significantly contribute to the realisation of BCD's growth initiatives".

When the merger is completed the Company will appoint an additional Director to represent the interests of KPL.

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For further information, please contact Mr Clive Carroll Chairman BCD Resources N.L on 0417 486 379 or by email at [info@bcdresources.com.au](mailto:info@bcdresources.com.au)