



The Time
The Place
The Metal

Sydney Resources Roundup

May 2008

Mike Young, Managing Director

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of BC Iron Limited, that could cause actual results to differ materially from such statements. BC Iron Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

The information relating to the terms "iron ore", "exploration target", "direct shipping ore" and "upgrade" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004) and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

The information that relates to exploration targets, exploration results and drilling data is based on information compiled by Michael Young who is a Member of The Australian Institute of Geoscientists and a Director of the Company. The information that relates to the Mineral Resource Estimate has been compiled by Mr Stephen Godfrey who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates. Both Mr Young and Mr Godfrey have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey and Mr Young consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.

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The information contained herein is general in nature and does not constitute financial product advice. If necessary, you should seek specific financial advice of your stockbroker prior to making any investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any investor.

ASX Listed

- Listed ASX December 2006 – Maiden Resource March 2008 – *15 months*
- Major shareholders include Consolidated Minerals and Alkane Resources
- Capital raising \$9M November 2007 – *Cash on hand \$10M*

Nullagine Project

- Inferred Resource **28 Mt @ 57.4% Fe** at Bonnie Creek
- Exploration targeting a further **25 Mt DSO at 55% – 58% Fe**
- MoU with Fortescue for rail transport to ship at Port Hedland

Bonnie Creek CID Development Plan

- Scoping Study ~ 3-5 Mtpa start-up DSO Operation ***underway***
- Heritage, flora & fauna surveys ***underway***
- Resource infill drilling Jun-Sep Qtr 2008
- Feasibility Study commences December Qtr 2008



Capital Structure

Shares on issue	Trading	35.4
	Restricted	24.0
	TOTAL	59.4
	Options	4.3
	Fully Diluted	63.7

1.75

Market Cap (Undiluted - @ \$1.50) \$ 90M

Board

- Tony Kiernan, Non-executive Chairman
- Mike Young, Managing Director
- Garth Higgo, Non-executive Director
- Terry Ransted, Non-executive Director
- Steven Chadwick, Non-executive Director

Top Shareholders

	Number	% Total	Escrow
Consolidated Minerals	15.6	26%	Dec 2008
Alkane Resources Ltd	9.0	15%	Dec 2008
UBS Wealth Management	4.9	8.2%	
TOTAL	24.6	49.7%	



Project Locations

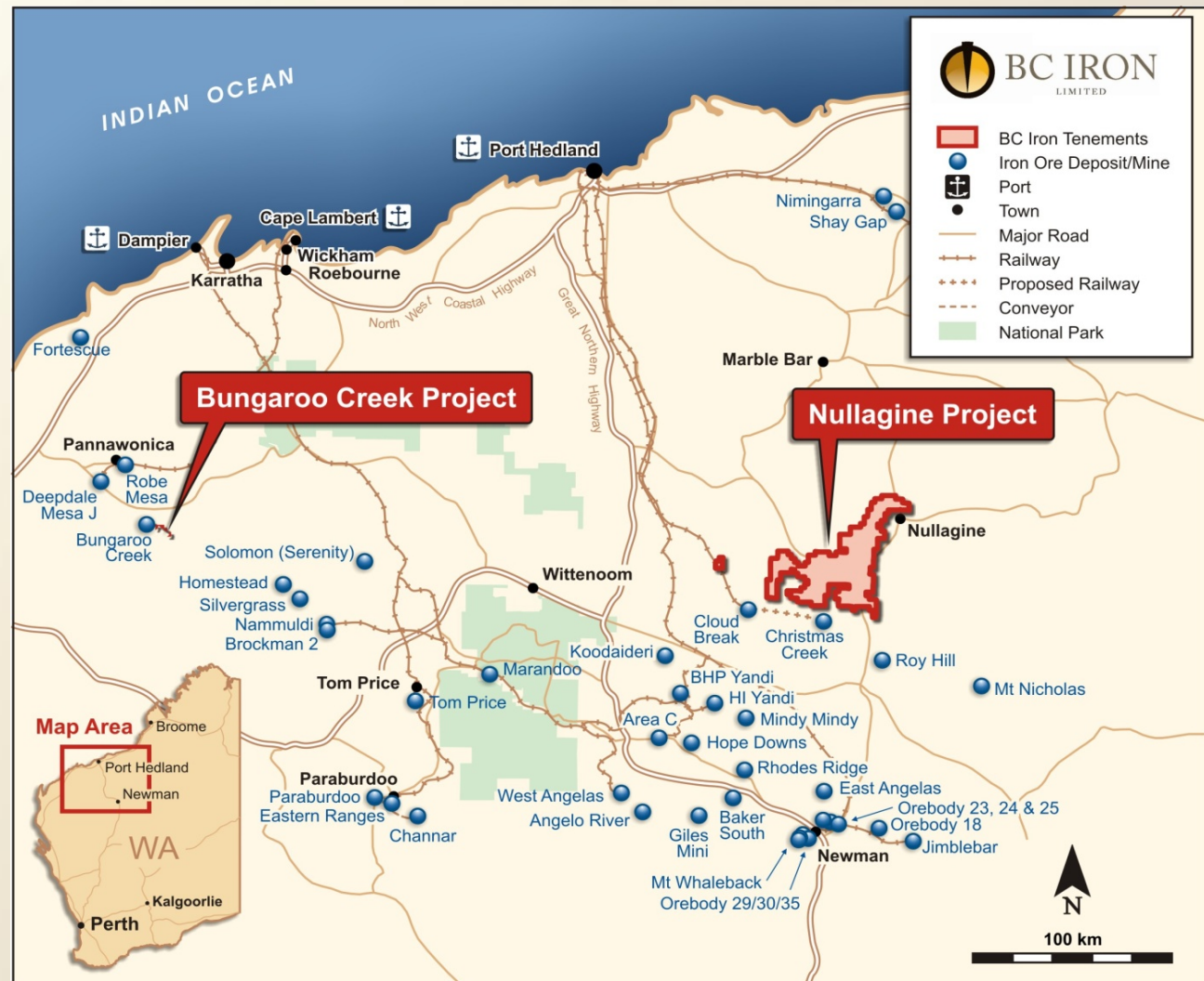
- Pilbara Region

Nullagine Project

- Close to infrastructure
- 35 km north of Fortescue's Christmas Creek Operation
- DSO Study Underway

Bungaroo Creek Project

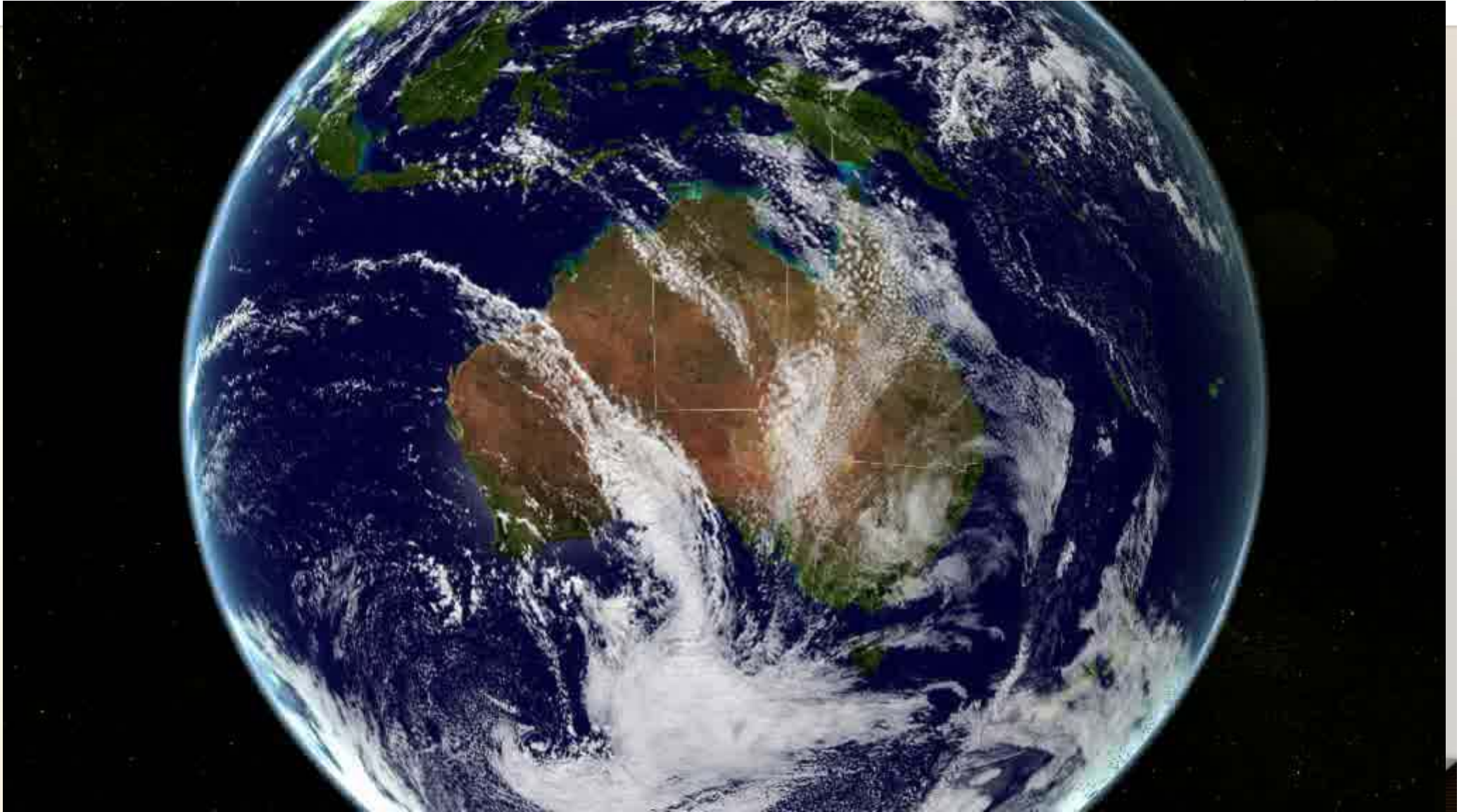
- Adjacent Rio's Bungaroo CID
- EL Applications
- Grass roots exploration





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Executive Summary – Location



Nullagine Project

Bonnie Creek CID

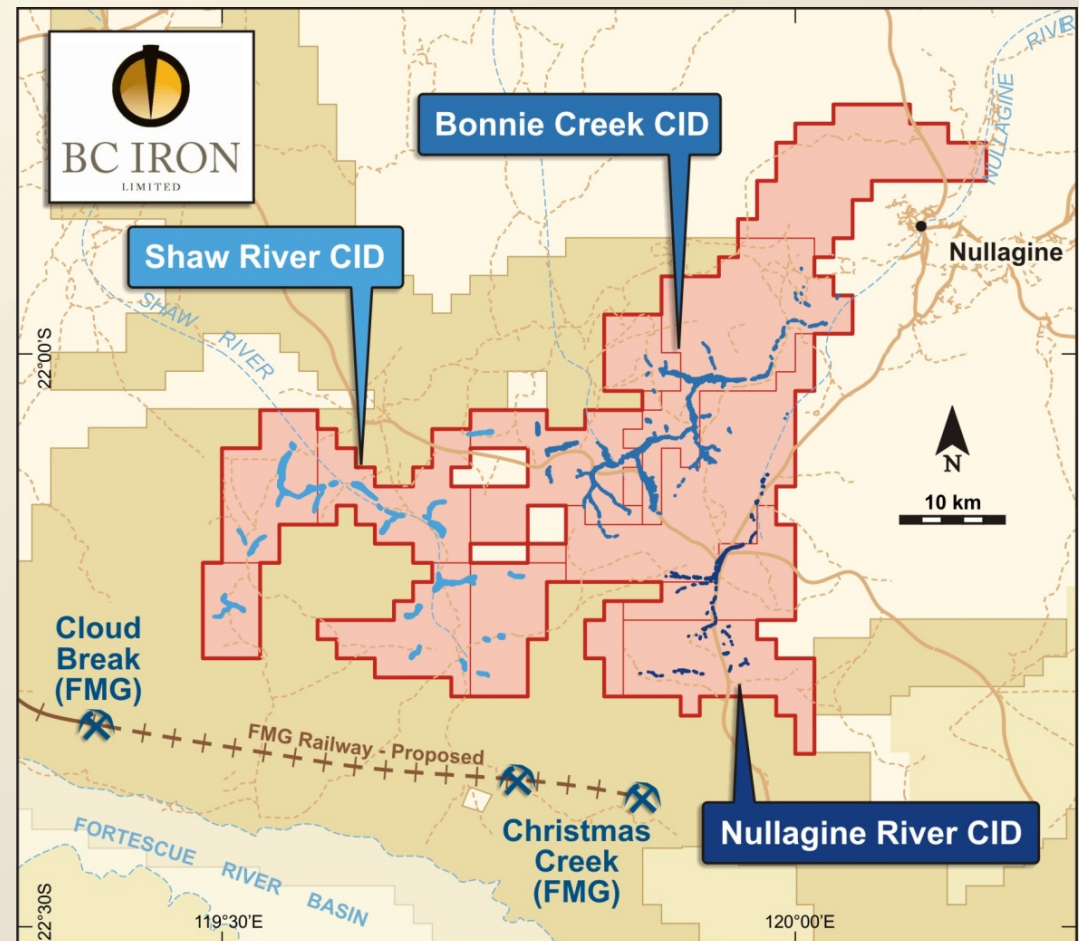
- Prospects lie 30-40 km from Fortescue
- 5 DSO Prospects - only two at JORC Status

Nullagine River CID

- Potential for satellite deposits
- DSO & upgrade CID

Shaw River CID

- Long term potential for upgrade CID & detritals



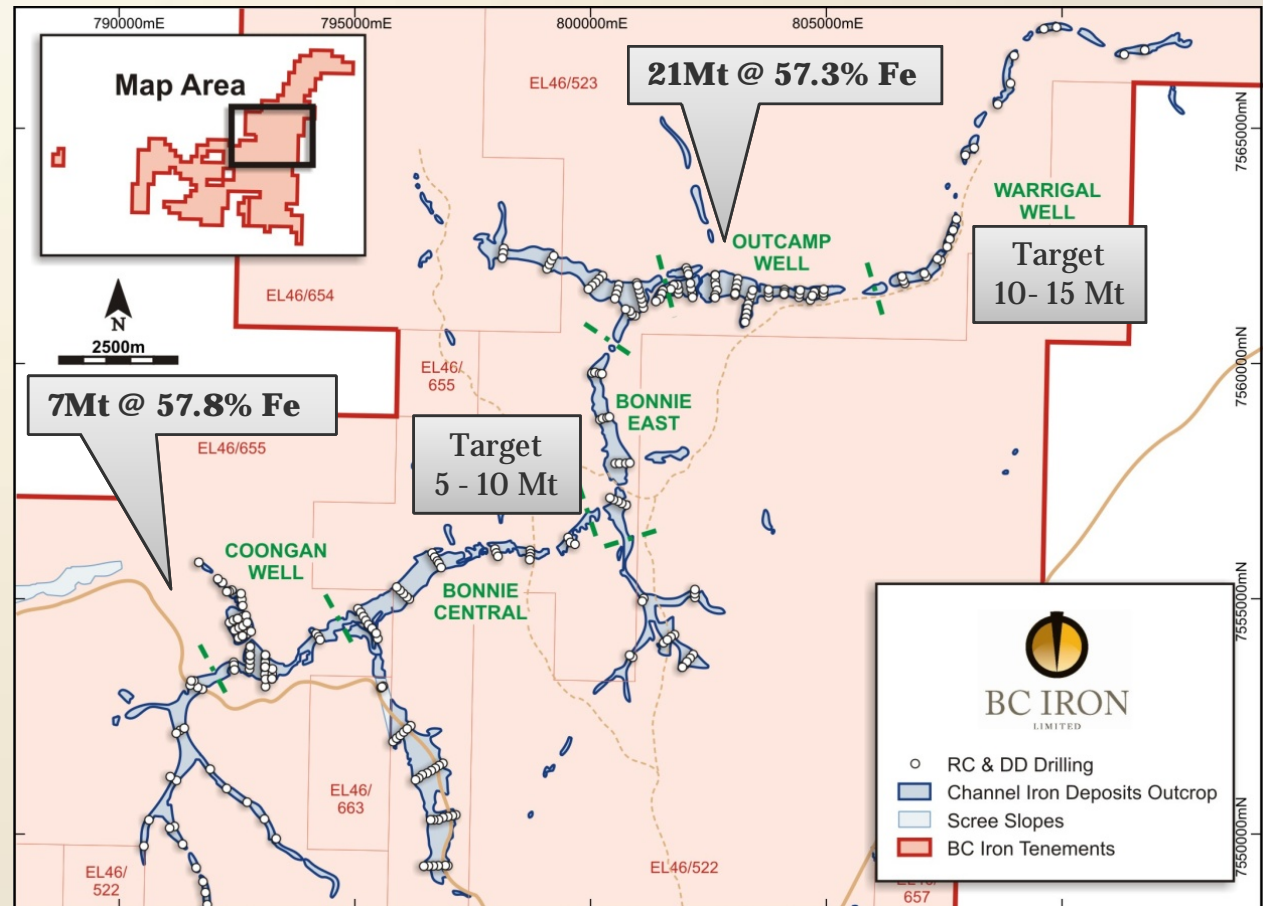


Inferred Resource & Targets

- DSO 28Mt @ 57.4% Fe (65.1% CaFe)
- CID 47Mt @ 53.6% Fe (61.5% CaFe)
- Targets 15 – 25 Mt DSO

Scoping Study Team

- Manager GR Engineering
- Resource & Mine Plan Golder Associates
- Environmental Strategen
- Flora & Fauna Astron
- Subterranean Fauna Bennelongia
- Hydro WorleyParsons
- Mine infrastructure HWE





Bonnie Creek CID Project
Inferred Mineral Resource Estimate – April 2008

DSO Resource Estimate

Prospect	COG ¹	Zone	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Outcamp	55.0	DSO	20.6	57.3	64.9	3.18	1.70	0.016	0.017	11.8
Coongan	55.0	DSO	7.4	57.8	65.5	2.39	1.86	0.013	0.017	11.8
TOTAL DSO	55.0	DSO	28.0	57.4	65.1	2.98	1.76	0.015	0.017	11.8

TOTAL CID Resource Estimate

Prospect	COG ²	Zone	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Outcamp	45.0	CID	35.9	53.5	61.3	5.03	3.34	0.017	0.018	12.7
Coongan	45.0	CID	11.3	54.0	61.8	4.16	3.31	0.015	0.018	12.7
TOTAL CID	45.0	CID	47.2	53.6	61.5	4.82	3.33	0.017	0.018	12.7

- Based on 1m RC and DD sampling with zones defined by geological and assay boundaries
- Grade estimation by Golder Associates
- SG= 2.91 based on core measurements
- For complete explanation see BC Iron release to the ASX, 31 March 2008



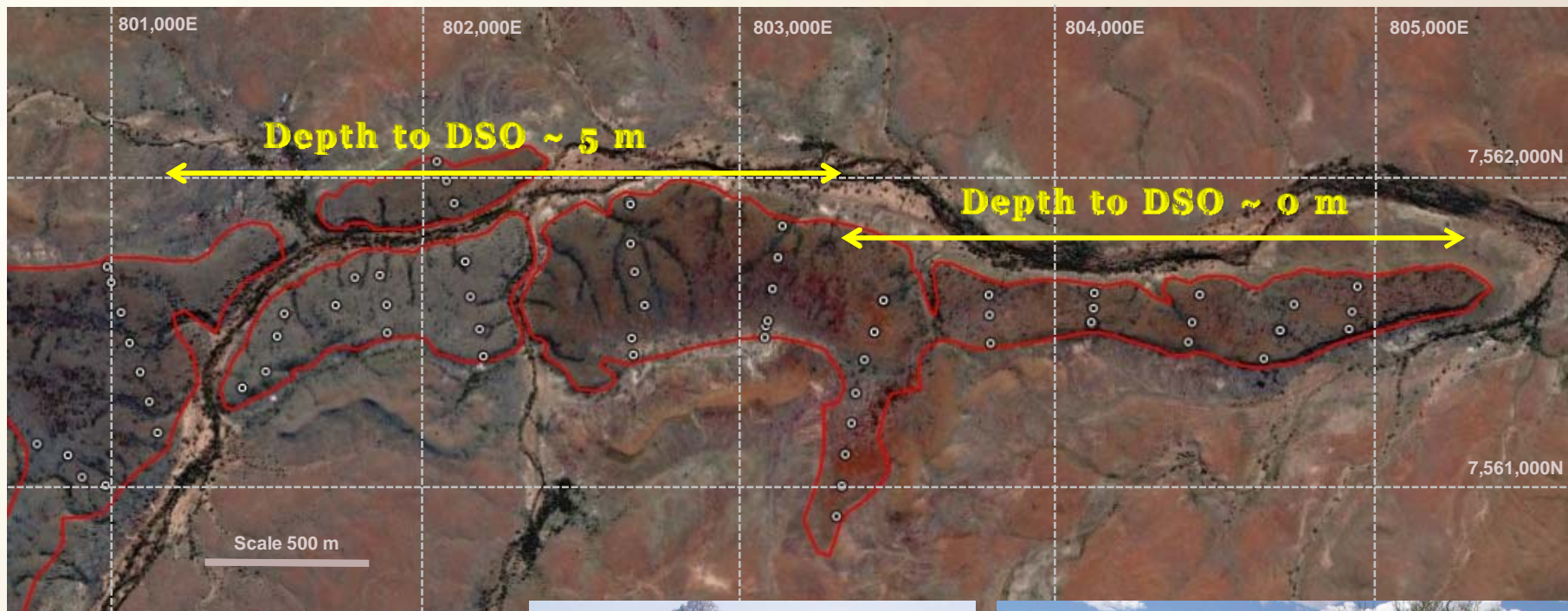
**Other DSO
Deposits**

Element Compound	BCI - Bonnie DSO	BHP Yandi	RIO Robe R	AQA CID Res Est	AGO Res Est
Fe	57.4	58.0	57.0	56.7	57.0
CaFe	65.1	64.2	62.8	62.1	63.7
SiO ₂	3.0	5.0	5.7	5.8	6.3
Al ₂ O ₃	1.7	1.3	2.7	3.5	1.5
P	0.02	0.04	0.04	0.07	0.04
S	0.02	0.01	0.01	0.02	0.01
LOI	11.8	9.7	9.2	8.7	9.4

BCI @ 55% COG

AQA, RIO and BHP data from corporate websites

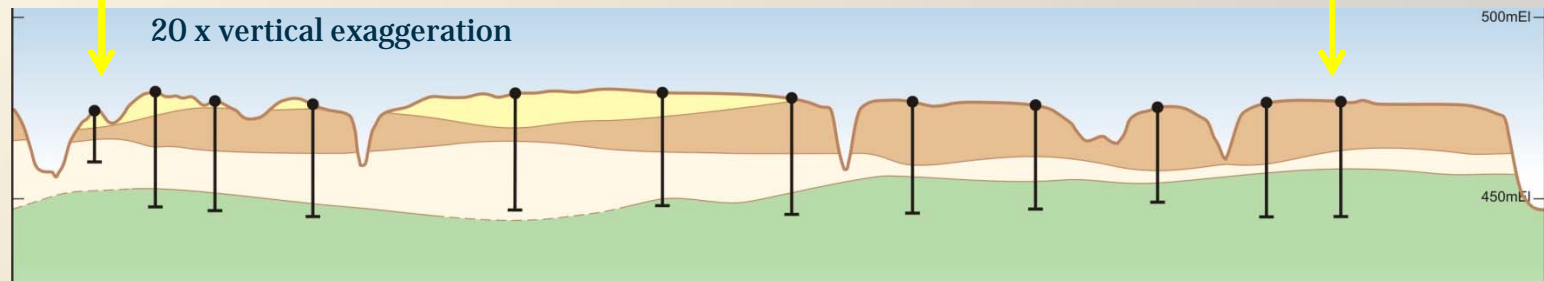
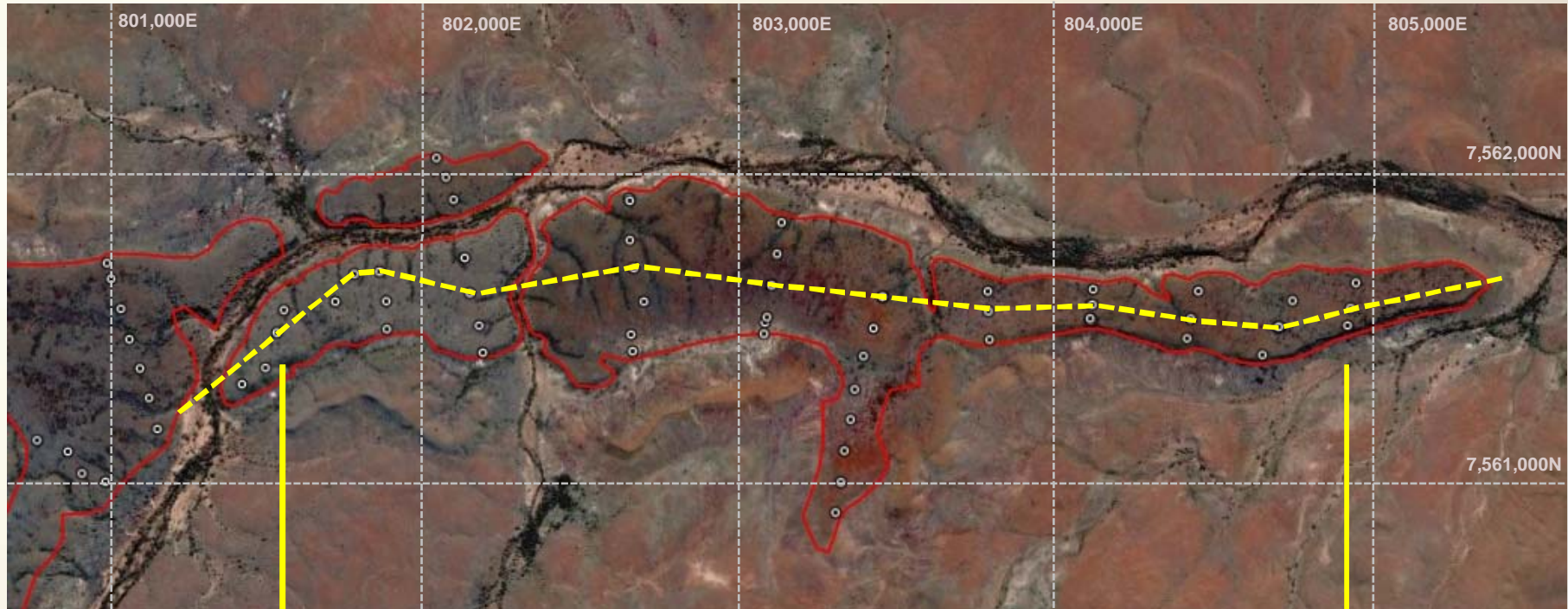
AGO Pardoo Project – hematite BIF & CID deposits

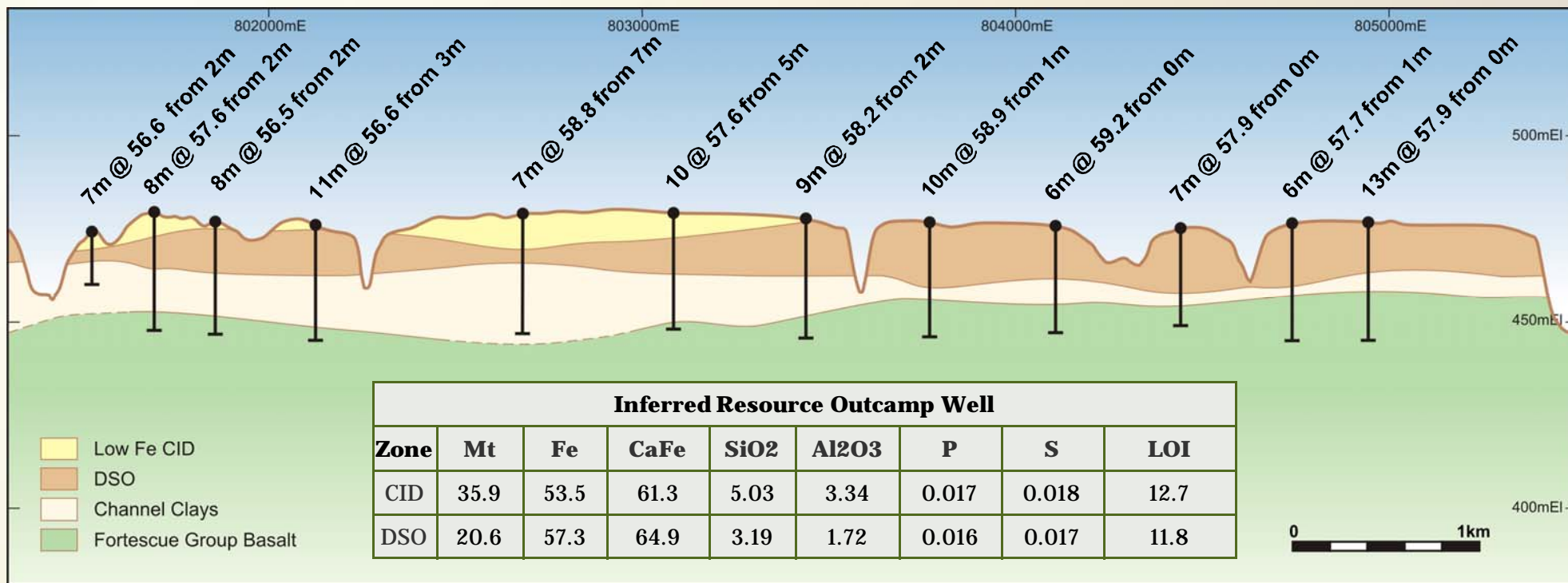


Outcamp Well

- 36 Mt @ 53.5% Fe CID
- incl. 21 Mt @ 57.3% Fe DSO
- Low strip ratio
- Outcropping mineralisation







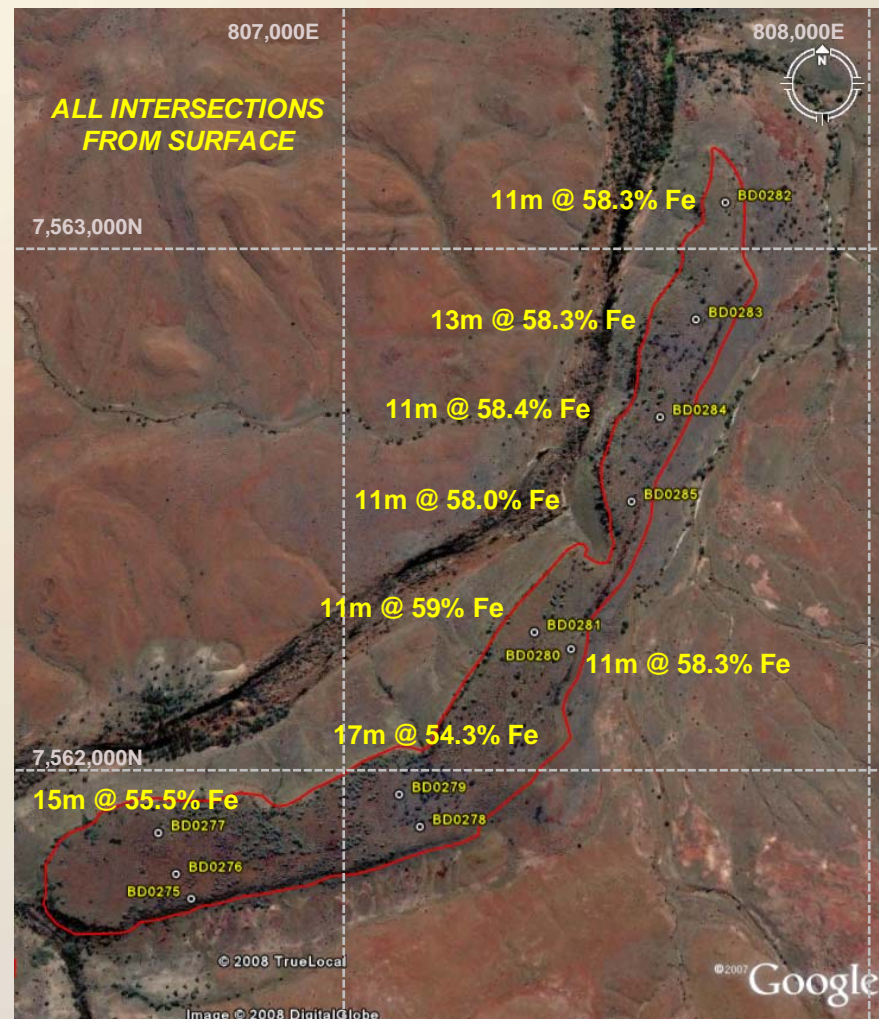
View looking north

20 x vertical exaggeration



Warrigal Well CID

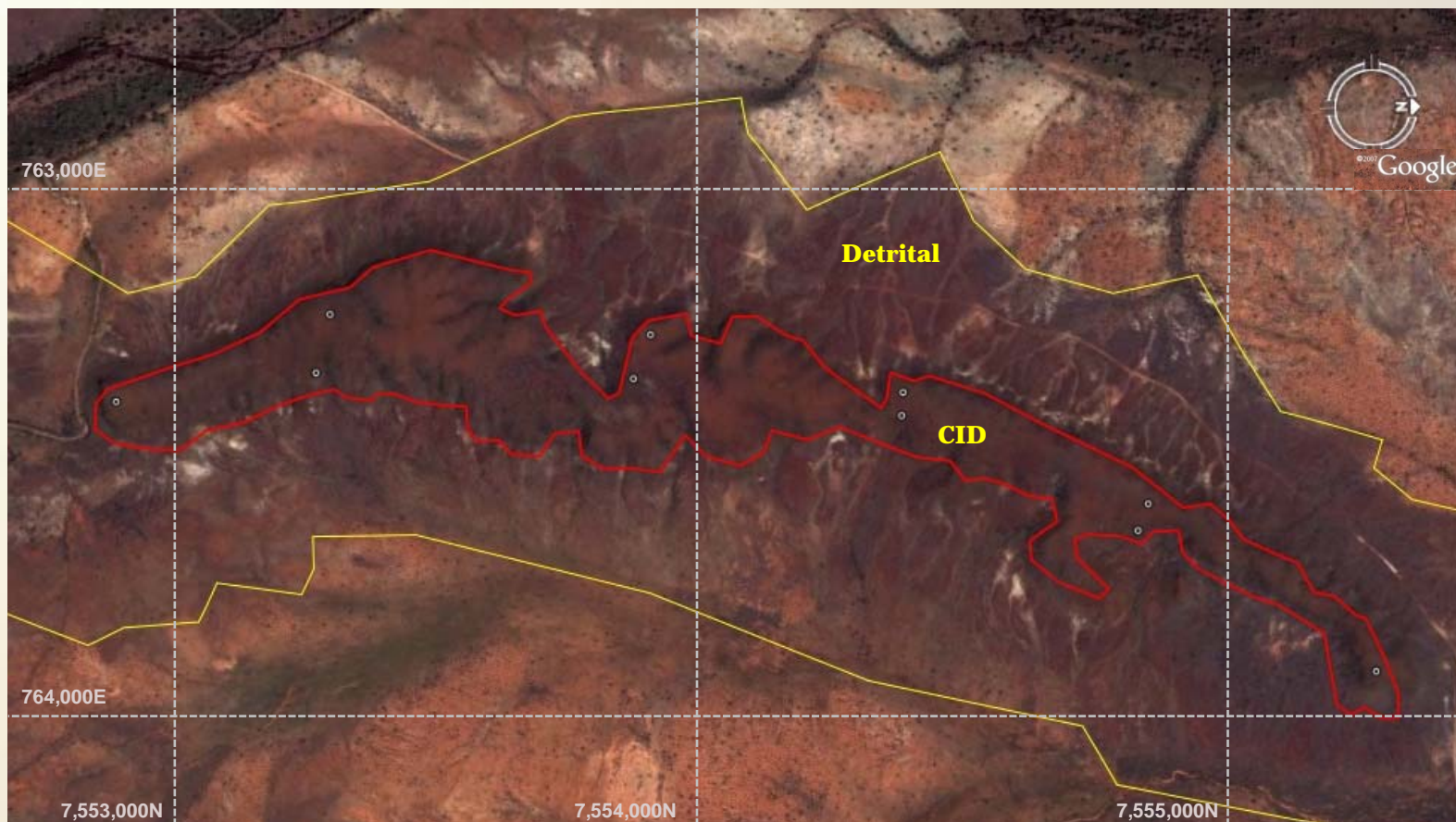
- Directly east of Outcamp Well
- Target 10 – 15 Mt
- Up to 27 m intersection CID
- 7.2 km combined length
- Outcropping mineralisation
- Follow-up drilling mid-2008





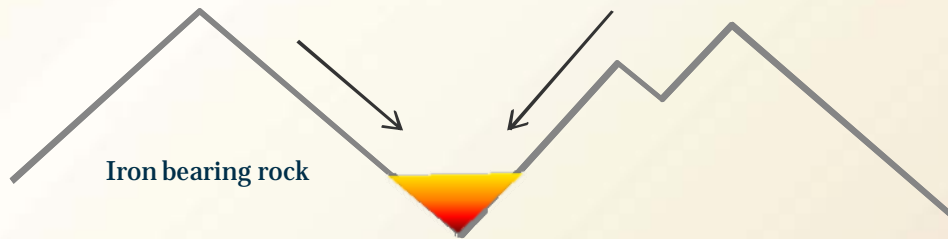
Shaw River CID

- Med grade CID
 - High CaFe
- Detrital Deposits
 - Low cost mining
- Potential source of upgrade ore
- Simple upgrade





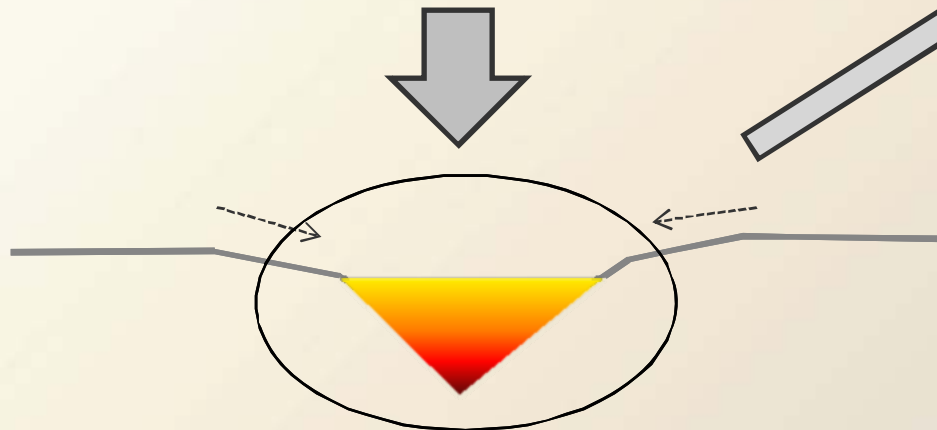
Formation of CID



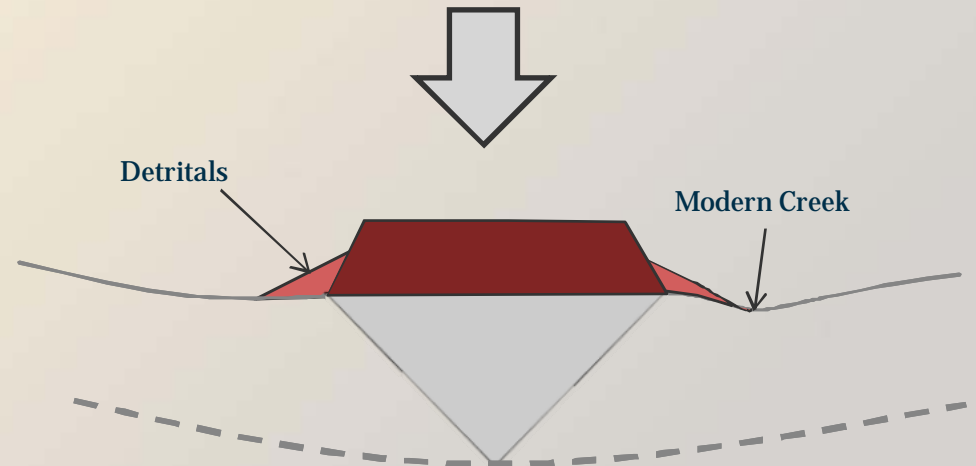
Steep terrain – rapid erosion



Laterite Development



Advanced erosion – channel fill



Modern Day Erosion



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Modern day channel - New Zealand



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Shaw River Mesa

Iron ore Minerals

Magnetite

- Fe_3O_4
- 72% Fe & 28% O
- Pellets

Hematite

- Fe_2O_3
- 70% Fe & 30% O
- Lump / Fines

Goethite

- $\text{FeO}(\text{OH})$
- 63% Fe & ~30% O & ~7% H_2O
- Fines
- *Dehydrates to hematite*

1.000 kg CID (He & Go)
580 kg Fe
100 kg H_2O CO_2 C

Original Assay
58% Fe
10% LOI

Sintering
Calcination
1400°C

Volatiles off
 H_2O C CO_2
LOI = Loss on ignition

900 kg Lump Feed (He)
580 kg Fe
580 / 900 = 64%

Calcined Assay
64% Fe

“Sintering CID fines delivers an 8 – 10 % increase in Fe grades to the blast furnace”



Iron Ore Comparison

	CID	Bedded	Mt BIF
Deposits	Yandi, Robe R Nullagine	Newman, FMG Tom Price	Karara, Sth Down
Dom mineral	Goethite	Hematite	Magnetite
Ore Grade Fe%	~57%	58-63%	~30%
Upgrade	<i>DSO</i>	<i>DSO</i>	> 65%
CaFe	~64%	~65%	-
Contaminants	Al, Si	Al, Si, S, P	Si, S
CAPEX	Low	Mod	High
OPEX	Low	Low-Mod	High
Product	Fines	Lump/Fines	μFines/Pellet

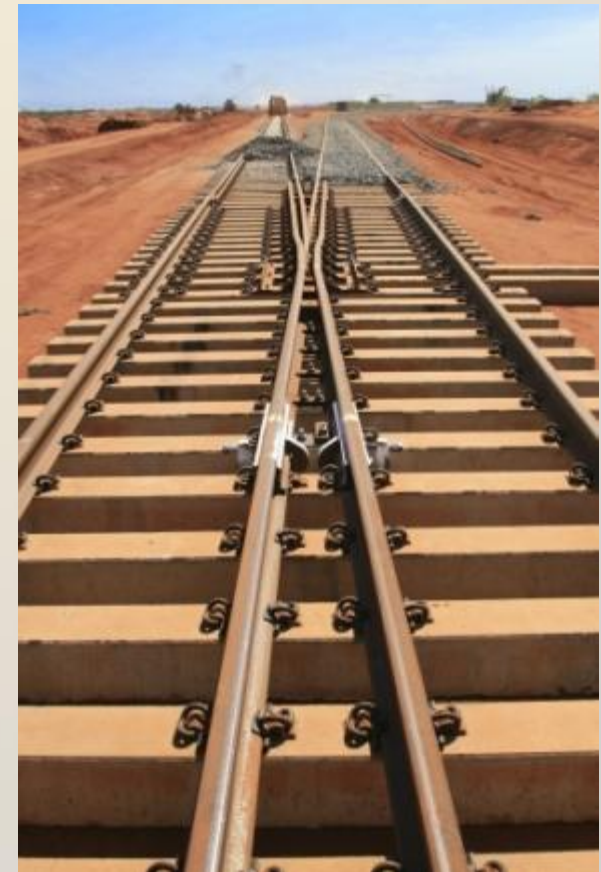
Approximately half of the iron ore exported from the Pilbara is CID

FMG MOU

- Facilitation of negotiation over bulk commodity transport Chichester operations to Port Hedland
- Provides rail loading, haulage, port handling and ship loading services
- Agreed rate of up to 5 Mtpa DSO – *no blending at port*
- Parties to consider other arrangements – JV, mine gate sale
- MoU is non-binding

North West Iron Ore Alliance

- Atlas Iron, BC Iron, Brockman Resources, FerrAus, Iron Ore Holdings
- Promoting diversified iron ore industry in the Pilbara
- Infrastructure access – rail & port
- Statutory approvals
- Stakeholder & community relations



Fortescue track laying (www.fmg.com.au)



Timing		Commenced
➤	Baseline Environmental Surveys	June Qtr 2008
➤	Scoping Study Bonnie Creek CID	May 2008
➤	Heritage Surveys – <i>Palyku</i>	May 2008
➤	Recommence drilling	May 2008
➤	Indicated \pm Measured Resource	Second half 2008
➤	Feasibility Study Commence	Late 2008 to 2009
➤	Heritage & EPA Approvals	Mid 2009
➤	Construction	Late 2009
➤	Production	Early 2010

- Development Options**
- (i) Mine and sell FOB/CFR through Port Hedland
 - *Using Fortescue infrastructure*
 - (ii) Mine gate sale to Fortescue or other buyer
- Both options assume
- *Commence at 3 Mtpa production ramp up to 5 Mtpa*
 - *Commission late 2009 – early 2010*



- Near Term**
- ✓ Pilbara iron ore junior developer
 - ✓ 100 % ownership - flexible off-take/marketing options
 - ✓ Maiden JORC Resource – 28 Mt DSO
 - ✓ Targeting additional 25 Mt DSO
 - ✓ Scoping Study 3 - 5Mtpa – *underway*
 - ✓ Upside with progress - Market cap at \$90M
- Long Term Potential**
- ✓ An operation with low CAPEX & low OPEX
 - ✓ Possibility for a high margin operation
 - ✓ Access to infrastructure
 - ✓ Quick path to cash flow - *Path to growth*



Coongan Well

“Fill in the blanks”

Iron Ore Investor’s Checklist							
COMPANY	BC Iron						
Hematite	Yes						
Simple orebody	Yes						
Direct Shipping Ore	Yes						
Low Capex/Opex	Yes						
Simple infrastructure	Yes						
Access to a port¹	Yes						
Transport to port¹	Yes						
Ship loading at port¹	Yes						

1 – Subject to MOU with Fortescue Metals Group



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