BC IRON
LIMITED

The Time
The Place
The Metal

30 September, 2008

Blair Duncan, General Manager of Operations

FORWARD LOOKING STATEMENTS

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, some 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", "conceptual pits" 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. Mr Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Young consents to the inclusion of his name in the matters based on their information in the form and context in which it appears. A full description and JORC Statement relating to the Mineral Resource Estimate is provided in the release to the Australian Securities Exchange dated March 31, 2008.

You should not act and refrain from acting in reliance on this presentation material. This overview of BC Iron does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.

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

- Listing on ASX December 2006 to maiden resource March 2008 – *15 months*
- Major shareholders → Consolidated Minerals (Palmary) and Alkane Resources
- Cash on hand – circa $7.0M

Nullagine Project

- Series of Channel Iron Deposits (CID)
- Positive Scoping Study completed June 2008 – *Company has moved to Feasibility*
- Inferred Resource **28 Mt at 57.4% Fe** at Bonnie Creek
- Exploration targeting a further **30 Mt DSO at 55% – 58% Fe**

Bonnie Creek Mine Development

Resource infill & extension drilling	***Completed***
Flora, fauna & hydro surveys	*Underway*
Feasibility Study	*Underway*

Project Locations

- Pilbara Region

Nullagine Project

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

Bungaroo Creek Project

- Adjacent to Rio's Bungaroo CID
- Greenfields project

EXECUTIVE SUMMARY - Location

EXECUTIVE SUMMARY – Nullagine Project

Bonnie Creek CID

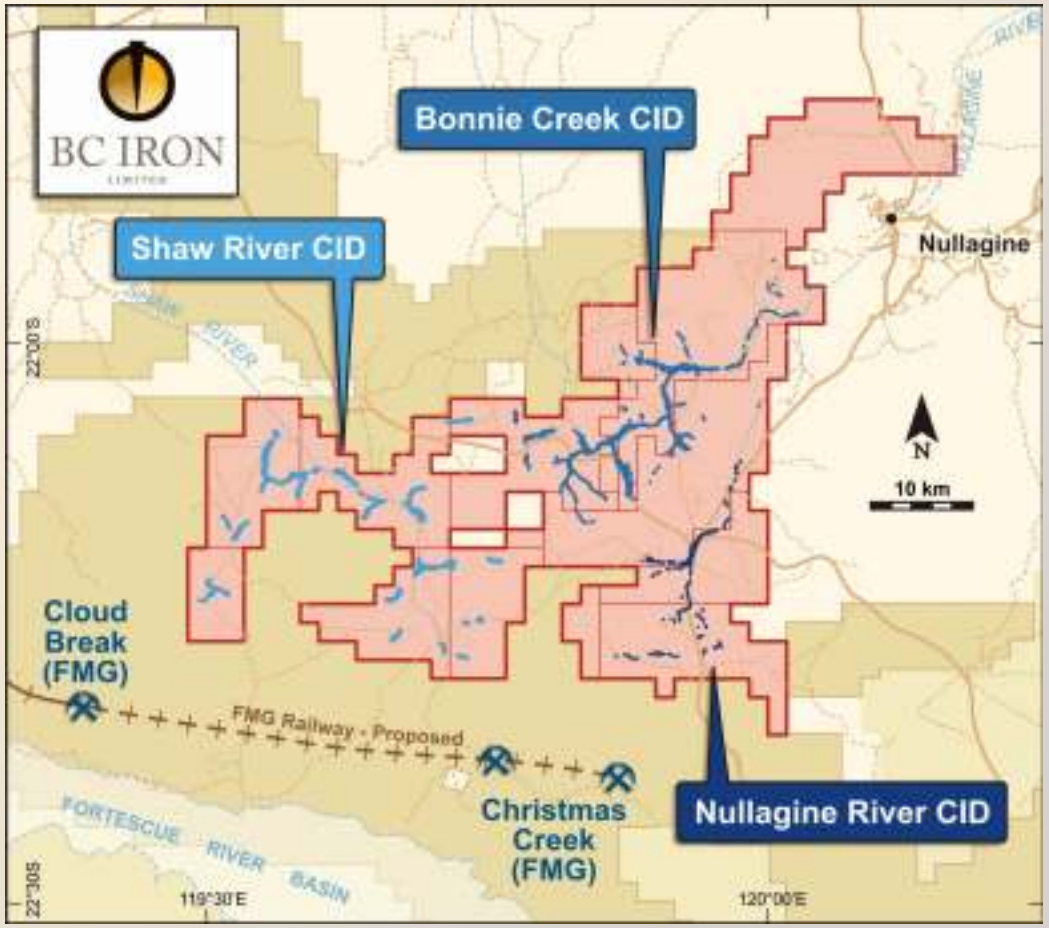
- 28 Mt DSO 57% Fe (65% CaFe)
- 47 Mt CID at 54% Fe (60% CaFe)
- Plant site lies 35 km from Christmas Creek
- 5 DSO prospects - only two at JORC status

Nullagine River CID

- Potential for satellite deposits
- DSO & upgrade CID (~5 Mt)

Shaw River CID

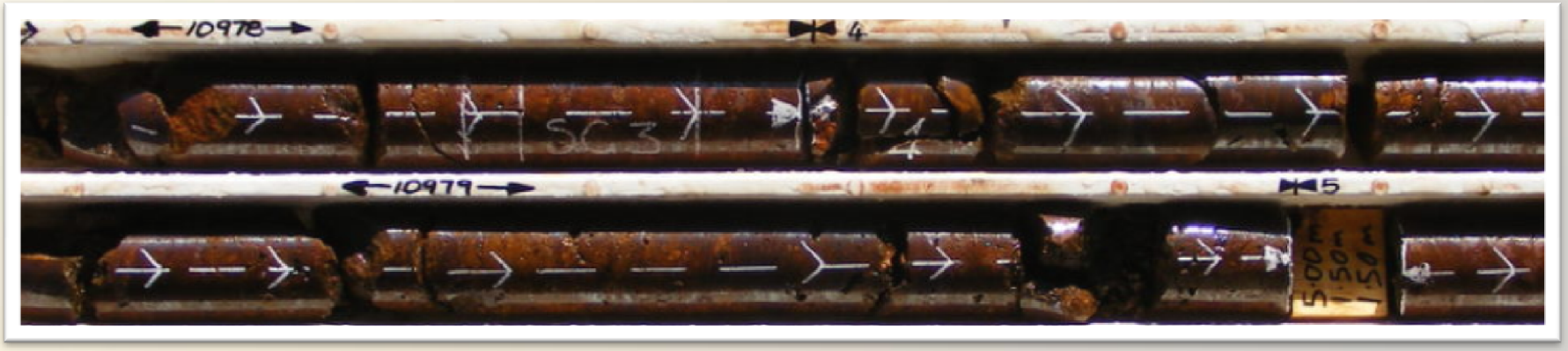
- Potential for DSO, upgrade CID & detritals



EXECUTIVE SUMMARY - Scoping Study

Scoping Study

- Completed on 3Mtpa direct ship ore (DSO) operation from 2010 ramping up to 5Mtpa
- CapEx (mine) A$85 million – OpEx A$42/tonne
- 2008 iron ore price increase +80% to 144 $US/dmtu **~$90/tonne**
- Conceptual open pits contain 98% of the 28 Mt Inferred Resource with a life-of-mine strip ratio of 1:1
- Simple mine, crush & screen, and haulage operation
- Feasibility Study preliminary fieldwork underway – expected completion in first half 2009



BD0389 – iron ore grading 59.8% Fe in core hole Outcamp Well

Capital Structure

Shares on issue	Trading	35.4
	Restricted	24.0
	TOTAL	**59.4**
	Options	5.7
	Fully Diluted	**65.1**

Market Cap (Diluted - @ $0.65) **$42.3 M**

Board

Tony Kiernan - Non-executive Chairman

Mike Young - Managing Director

Non-executive Directors

Garth Higgo - COO of Consolidated Minerals

Terry Ransted - Consultant Alkane Resources

Steven Chadwick - Independent

Senior Management

Blair Duncan – GM Operations

Bill Oliver – Exploration Manager

Top Shareholders

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

Warrigal Well

Inferred Mineral Resource Estimate – March 2008

DSO Resource Estimate										
Prospect	COG[1]	Zone	Mt	Fe	CaFe	SiO_2	Al_2O_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

Conceptual 'in pit' Resource									
Prospect	Zone	Mt	Fe	CaFe	SiO_2	Al_2O_3	P	S	LOI_{1000}
Outcamp	DSO	20.5	57.2	64.9	3.20	1.72	0.016	0.017	11.8
Coongan	DSO	7.2	57.8	65.5	2.39	1.86	0.013	0.018	11.8
TOTAL 'In Pit' DSO	DSO	27.2	57.4	65.1	2.99	1.76	0.015	0.017	11.8

- *For complete explanation see BC Iron release to the ASX, 31 March 2008*
- *The resource within the conceptual pit shells should not be misconstrued as a mining reserve*

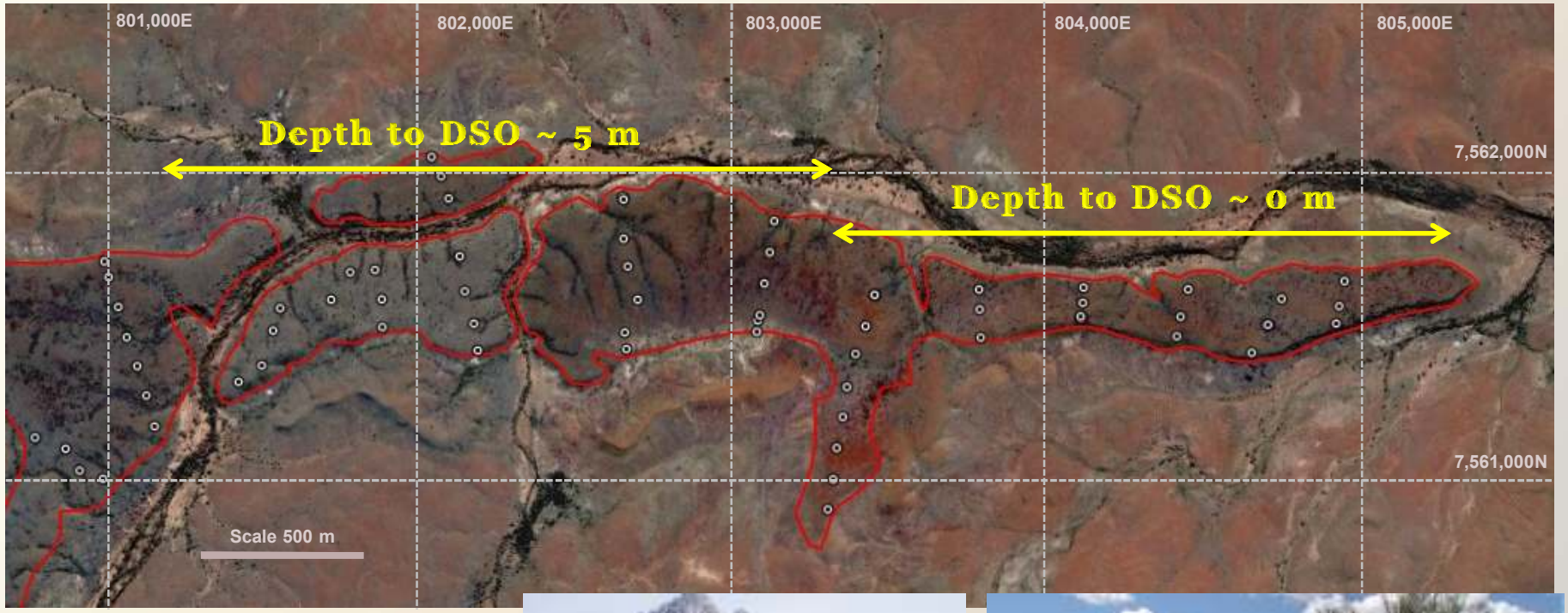
BONNIE CREEK CID – Peer Comparison

Other DSO Deposits

Element/ Compound	BCI CID Bonnie Ck	BHP CID Yandi	RIO CID Robe R	AQA CID W Pilbara	AGO Pardoo
Fe	57.4	58.0	57.0	56.7	57.0
CaFe	65.1	64.2	62.8	62.1	62.5
SiO_2	3.0	5.0	5.7	5.8	6.8
Al_2O_3	1.7	1.3	2.7	3.5	1.9
P	0.02	0.04	0.04	0.07	0.12
S	0.02	0.01	0.01	0.02	0.02
LOI	11.8	9.7	9.2	8.7	8.8

BCI at 55% COG
AQA, RIO and BHP data from corporate websites
AGO Pardoo Project – hematite BIF & CID deposits, Jan 29th, 2008

BONNIE CREEK CID – Outcamp Prospect



Outcamp Well

- 21 Mt at 57.3% Fe DSO
- Low strip ratio 0.8:1
- Outcropping mineralisation

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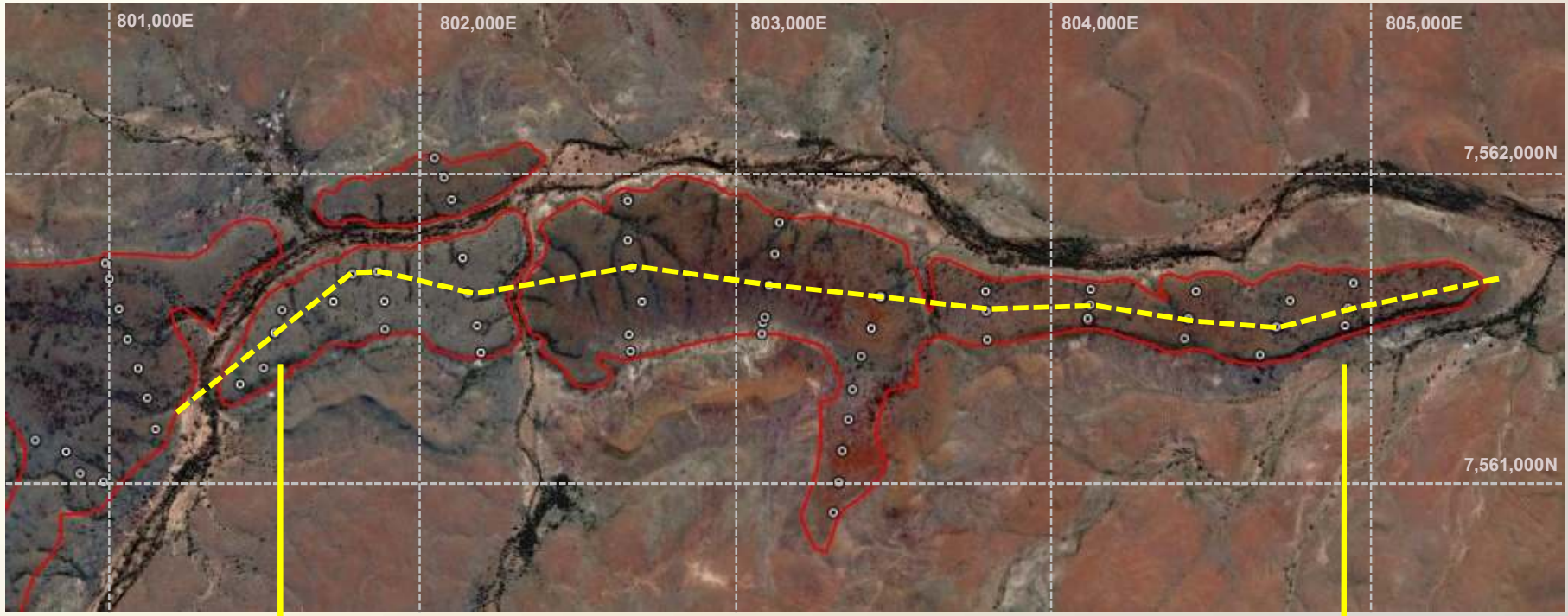
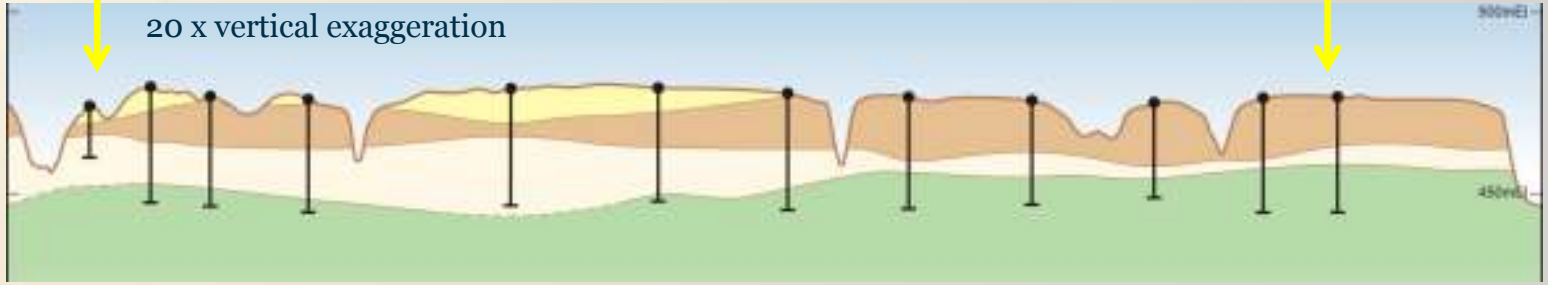
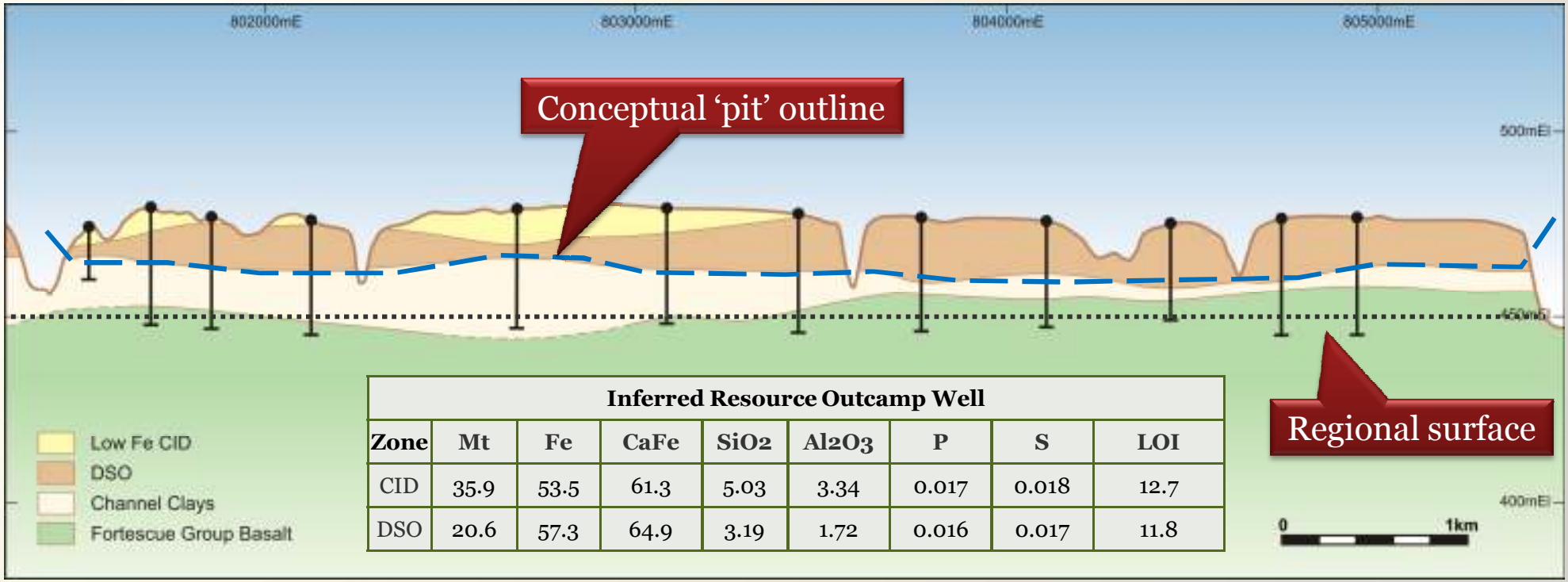
BONNIE CREEK CID – Outcamp Prospect

www.bciron.com.au





BONNIE CREEK CID – Outcamp Prospect



Inferred Resource Outcamp Well								
Zone	**Mt**	**Fe**	**CaFe**	**SiO2**	**Al2O3**	**P**	**S**	**LOI**
CID	35.9	53.5	61.3	5.03	3.34	0.017	0.018	12.7
DSO	20.6	57.3	64.9	3.19	1.72	0.016	0.017	11.8

- Shallow "pits" mainly above surrounding plains - mining ore from day 1
- Above water table - lower impact on subterranean aquatic fauna
- Low OpEx - low strip ratio, use of surface miners

VERMEER TL1255 operating at Cloud Break (FMG) – photo by BC Iron

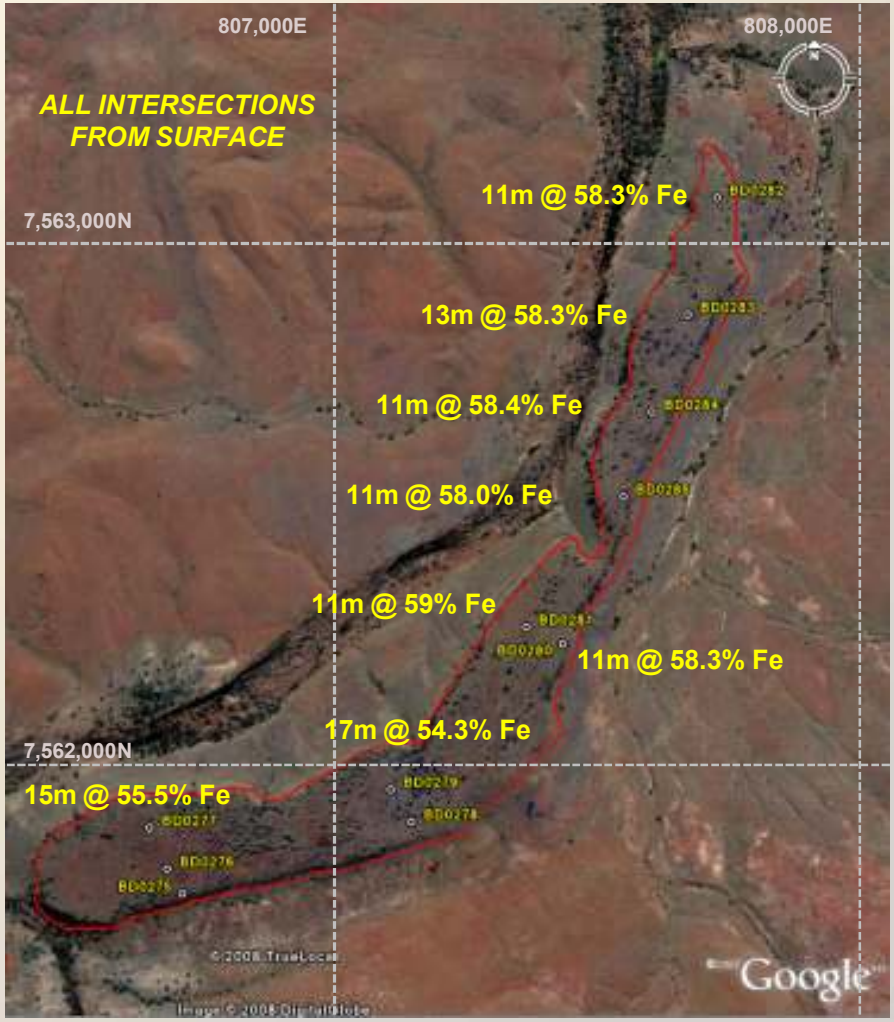
VERMEER TL1255 Terrain Leveler

- Drill & Blast not required
- Primary Crushing not required
- Mine Haul Trucks not required

BONNIE CREEK CID – Warrigal Well Prospect

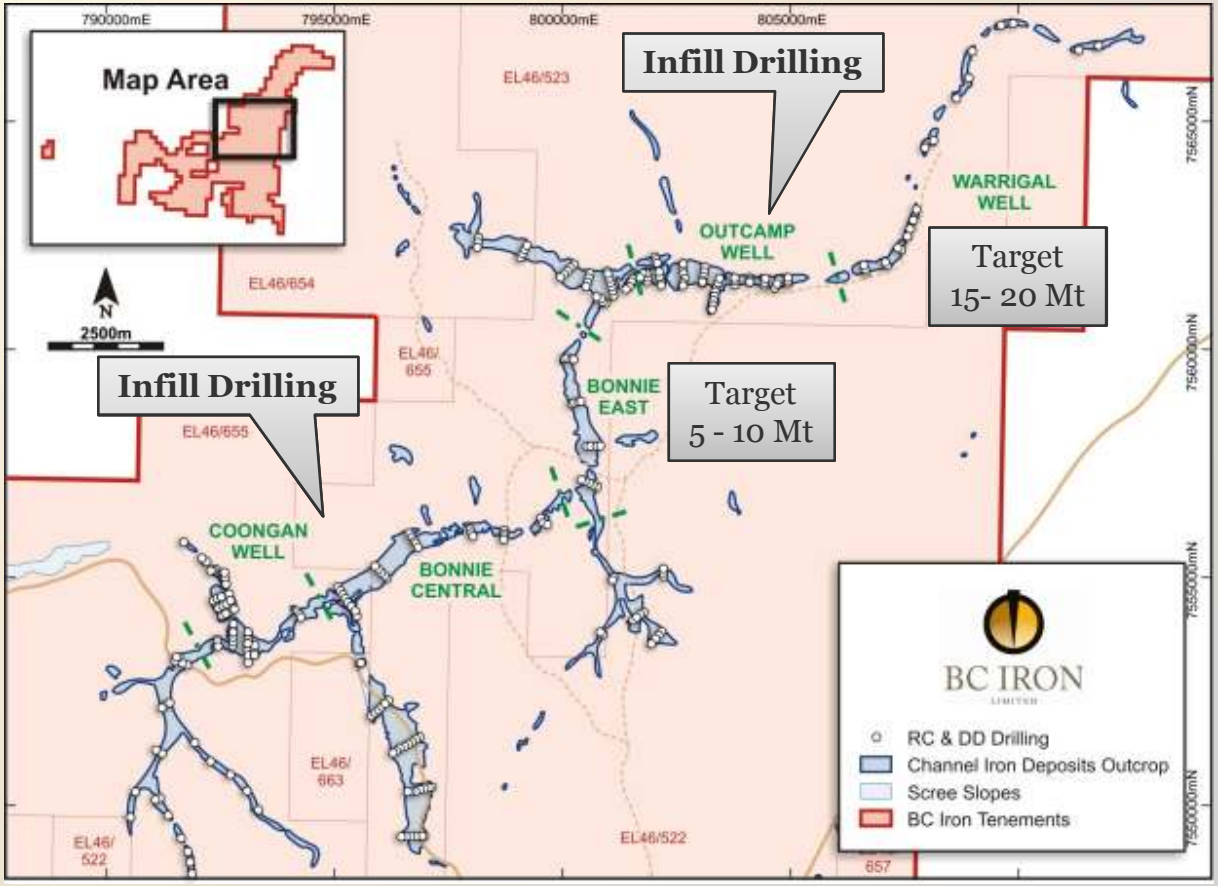
Warrigal Well CID

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



Scoping Study

- 28 Mt at 57.4% Fe DSO (65.1% CaFe)
- 'In Pit' 27.7 Mt at 57.1 % Fe (65.1% CaFe)
- Target Production 3Mtpa → 5 Mtpa
- CapEx (mine) A$85M
- OpEx $42/tonne
- Simple mine/crush/haul operation
- Current mine life 6 years
- Stripping ratio 1:1
- Target Resource > 40 Mt
- Target Mine Life > 7 years



Short Term Strategy

- Rail Haulage and Port Access Agreement with Fortescue
  - to be negotiated via existing MOU or "at market rates"
  - utilizes available capacity during Fortescue's production ramp up phase
- Rail Haulage Agreement with Fortescue
  - port access via common user facility and/or lease of alternate site/available capacity

Longer Term Strategy

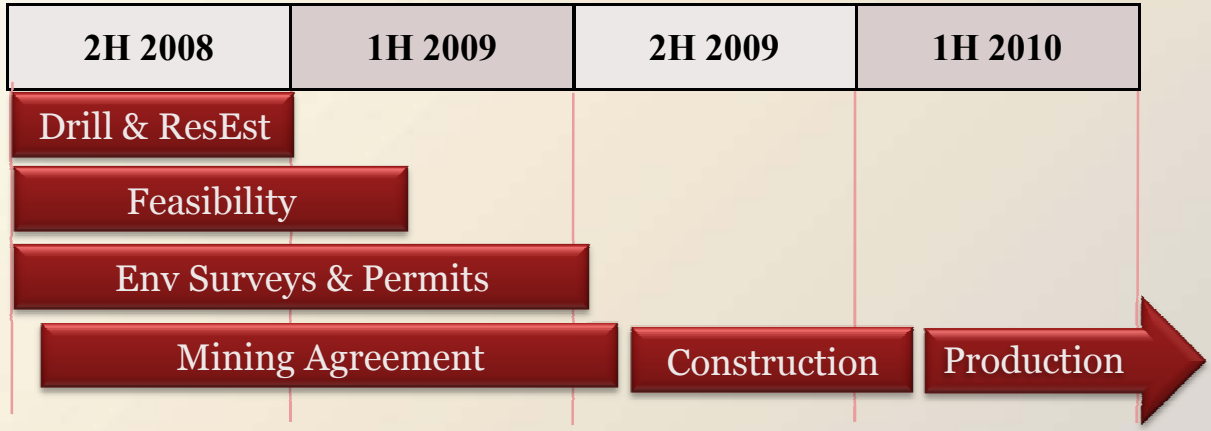
- Rail Haulage Agreement with Fortescue
  - port access via planned North West Iron Ore Alliance (NWIOA) facility
- Rail Access Agreement with Fortescue
  - will require purchase of rolling stock
  - port access via NWIOA facility

Fortescue ore train – photo by BC Iron

BONNIE CREEK CID PROJECT – Development Plan

Timing

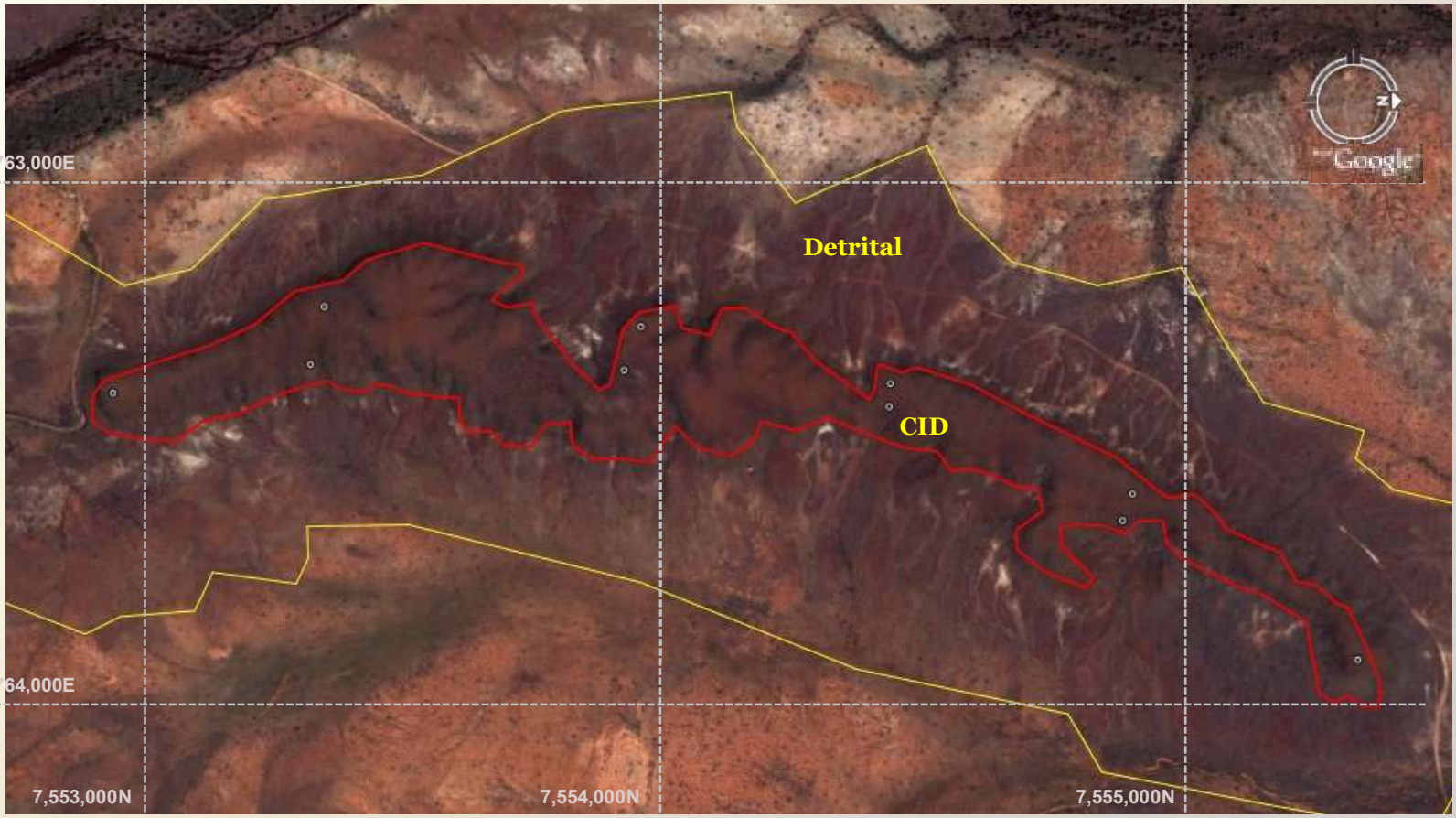
Scoping Study Bonnie Creek CID	***Completed***
Baseline Environmental Surveys	*Commenced*
Infill drilling	***Completed***
Resource & Reserve Estimate	Second Half 2008
Feasibility Study	First Half 2009
Mining Agreements	Second Half 2009
Mining Approvals (DoIR)	Second Half 2009
Construction commences	Second Half 2009
Production	First Half 2010



Drilling at Coongan Well

Shaw River CID

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



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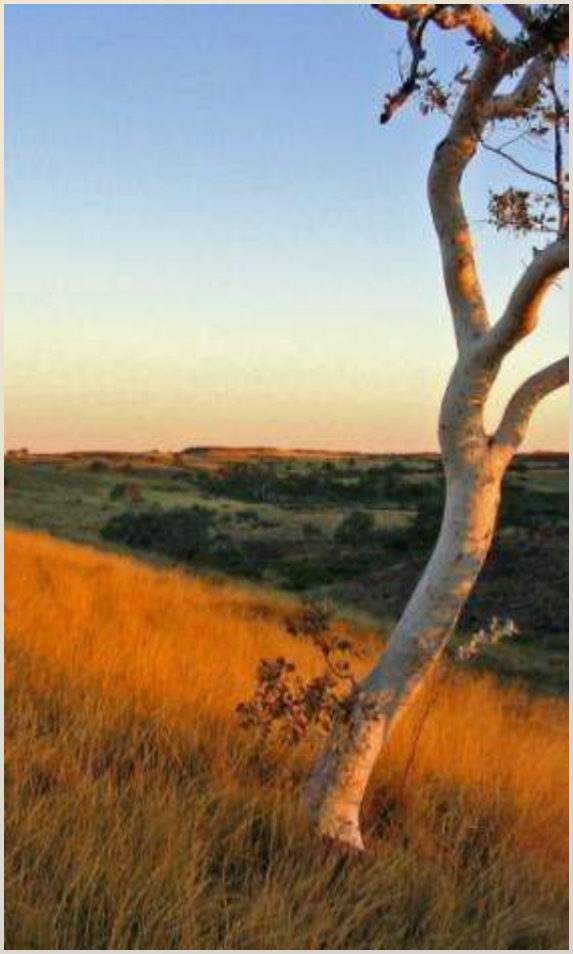
INVESTMENT OPPORTUNITY

Near Term

- ✓ Pilbara iron ore developer
- ✓ 100% project ownership - flexible off-take/marketing options
- ✓ Maiden JORC Resource – 28 Mt at 57.4% Fe
  - *98% reports to 'conceptual pits'*
- ✓ Exploration targeting an additional 30 Mt DSO
- ✓ Feasibility Study on 3 - 5Mtpa operation – ***underway***

Long Term Potential

- ✓ CapEx (mine) $85M and OpEx $42/tonne
- ✓ Iron price increases means 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 ore body	Yes						
Direct Shipping Ore	Yes						
Low CapEx/OpEx	Yes						
Simple infrastructure	Yes						
Access to a port[1]	Yes						
Transport to port[1]	Yes						
Ship loading at port[1]	Yes						

1 – see 'Infrastructure Solutions'

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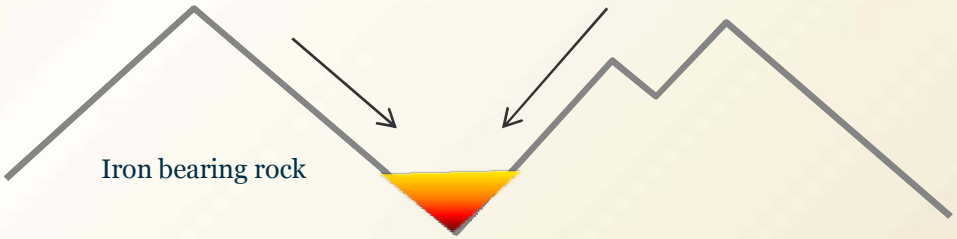
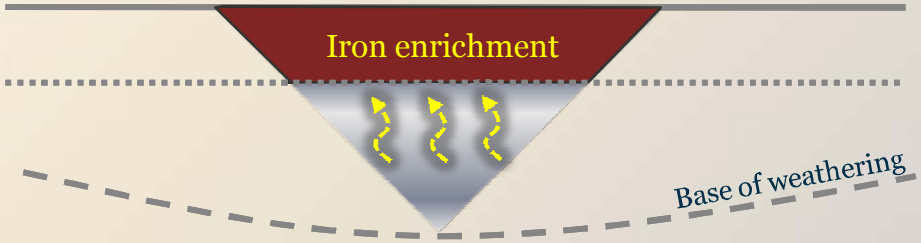
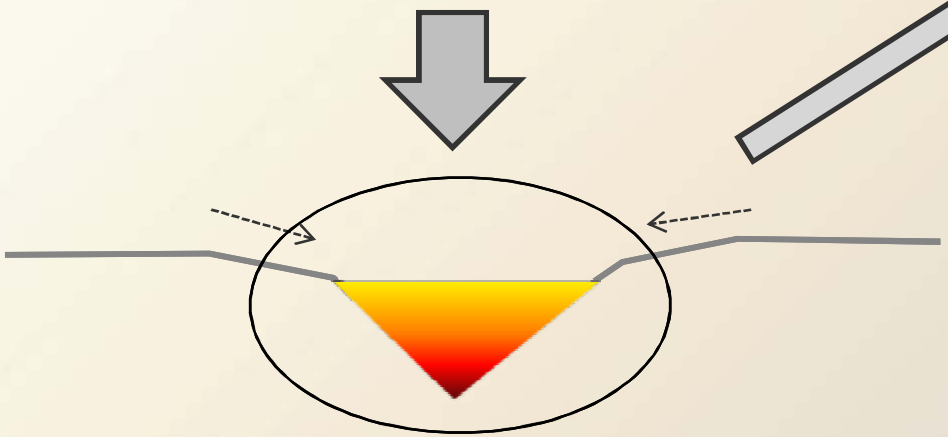
Formation of CID



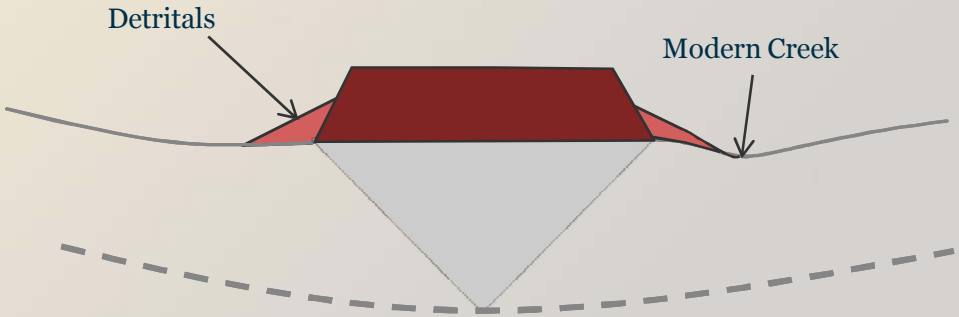
Steep terrain – rapid erosion



Laterite Development



Advanced erosion – channel fill



Modern Day Erosion

APPENDIX – CHANNEL IRON DEPOSITS

Modern day channel - New Zealand

Shaw River Mesa

APPENDIX – CHANNEL IRON DEPOSITS

Iron ore Minerals & "CaFe"

Magnetite

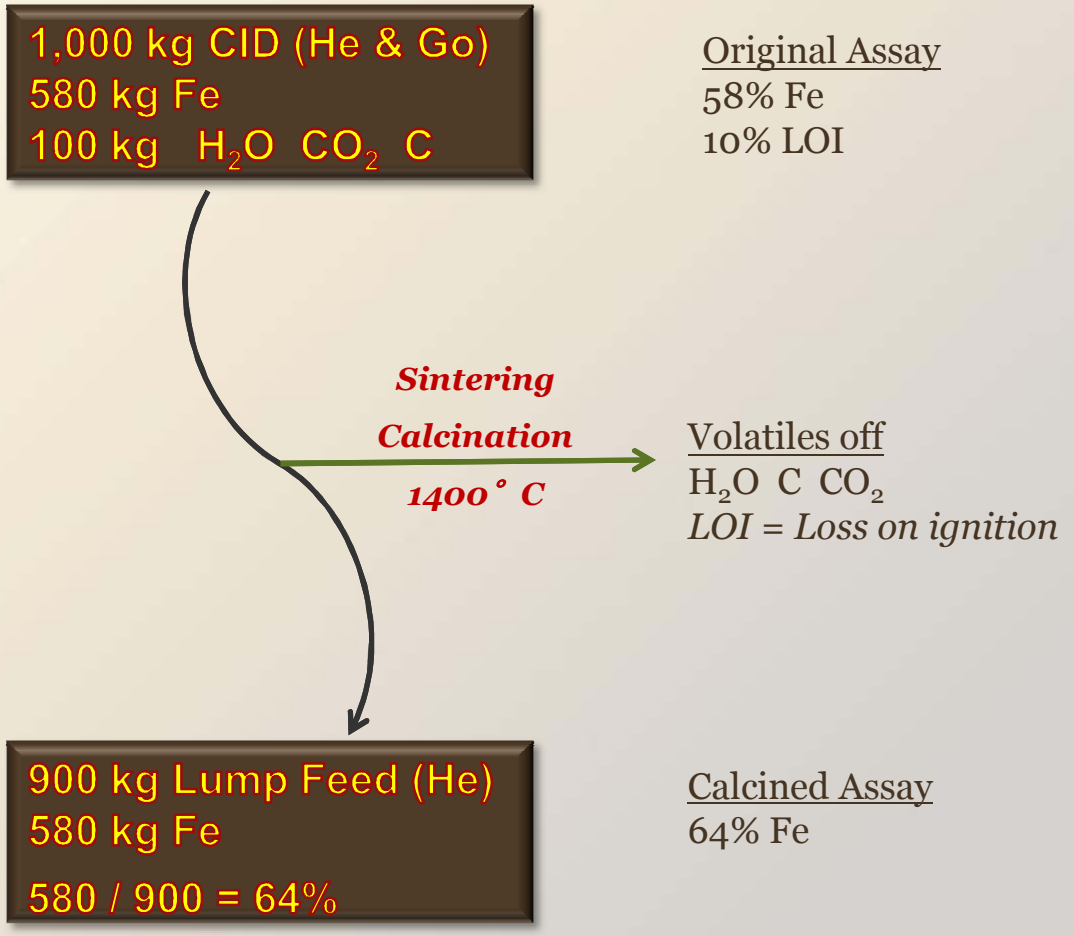
- Fe_3O_4
- 72% Fe & 28% O
- Pellets

Hematite

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

Goethite

- FeO(OH)
- 63% Fe & ~30% O & ~7% H_2O
- Fines
- *Dehydrates to hematite*



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