BC IRON
LIMITED

Capitalising on our strengths in this iron ore market

Australian Mining Congress
Sydney 2008

Mike Young
Managing Director

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2. Project location
3. Iron ore fundamentals
4. Iron ore pricing
5. Options and strategy
6. Bonney Creek Project
7. Summary

ASX Listed

- Listed ASX December 2006 - Maiden resource March 2008
- Major shareholders → ConsMinerals and Alkane Resources
- Cash on hand – circa $6.0M

Nullagine Project

- Direct Shipping Ore in a series of Channel Iron Deposits (CID)
- Resource **28Mt @ 57.4% Fe** & targets of **30Mt @ > 56% Fe**
- Bonnie Creek CID is a high quality **Sinter Blend Ore**
- Feasibility Study underway on 1.5 Mtpa, low Capex startup
- *Expansion through cash flow 1.5 → 3.0 → 5.0 Mtpa*

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

Top Shareholders

	Number	% Total
Consolidated Minerals	15.6	26%
Alkane Resources	9.0	15%
UBS Wealth Management	3.1	5.2%
TOTAL	**27.7**	**46.7%**

Warrigal Well with 40 m iron ore cliffs in background

BOARD AND MANAGEMENT

Board	**Tony Kiernan**	Chairman (*Non-executive*)
	Mike Young	Managing Director
	Non-executive Directors	
	Garth Higgo	Consolidated Minerals
	Terry Ransted	Alkane Resources
	Steven Chadwick	Consulting Metallurgist
Management	**Blair Duncan**	General Manager Operations

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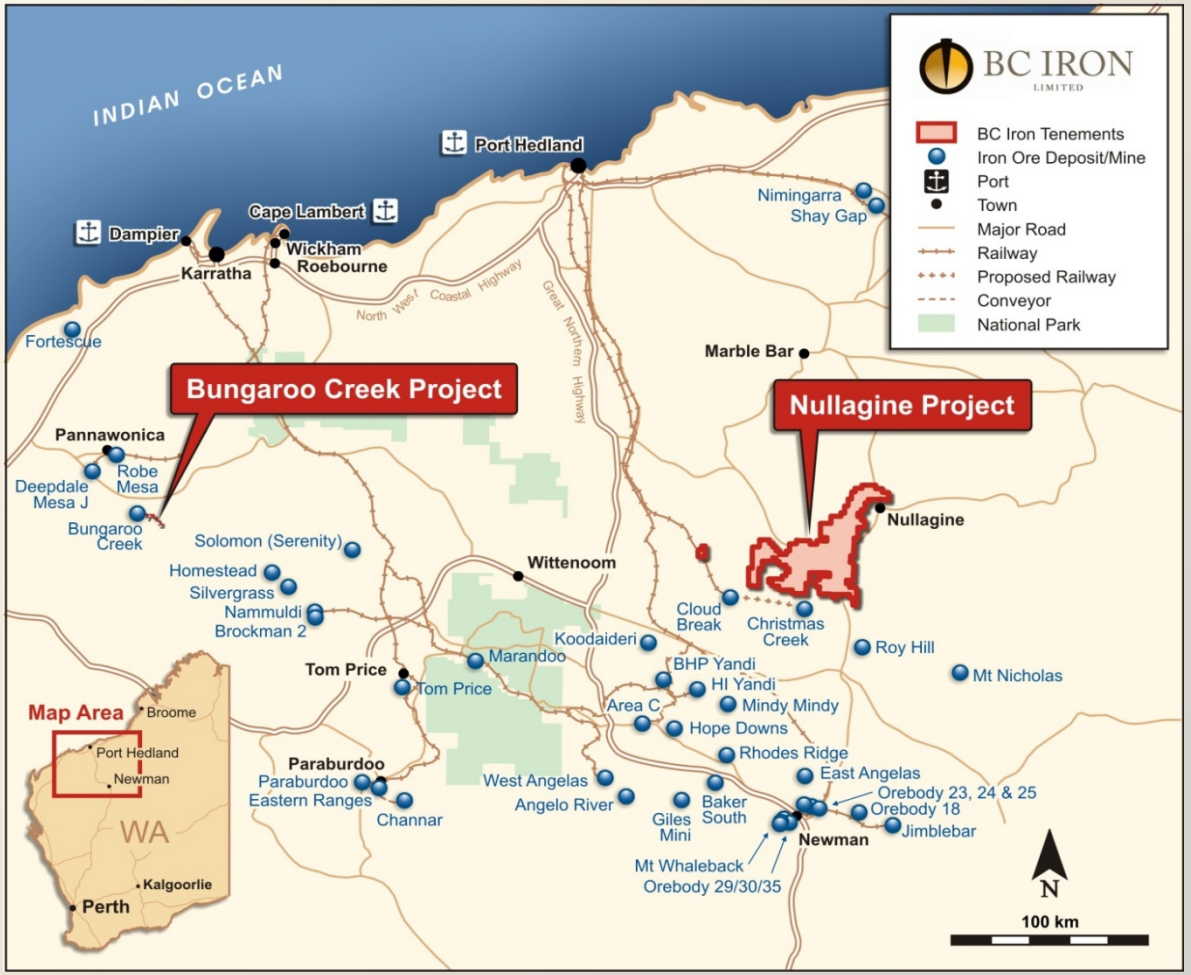
Summary

Nullagine Project

- 1500 km^2 holding in Pilbara
- Adjacent to existing and emerging infrastructure

Bungaroo Creek Project

- Adjacent Rio's Bungaroo CID
- Greenfields project
- Awaiting grant of tenure



Bonnie Creek CID

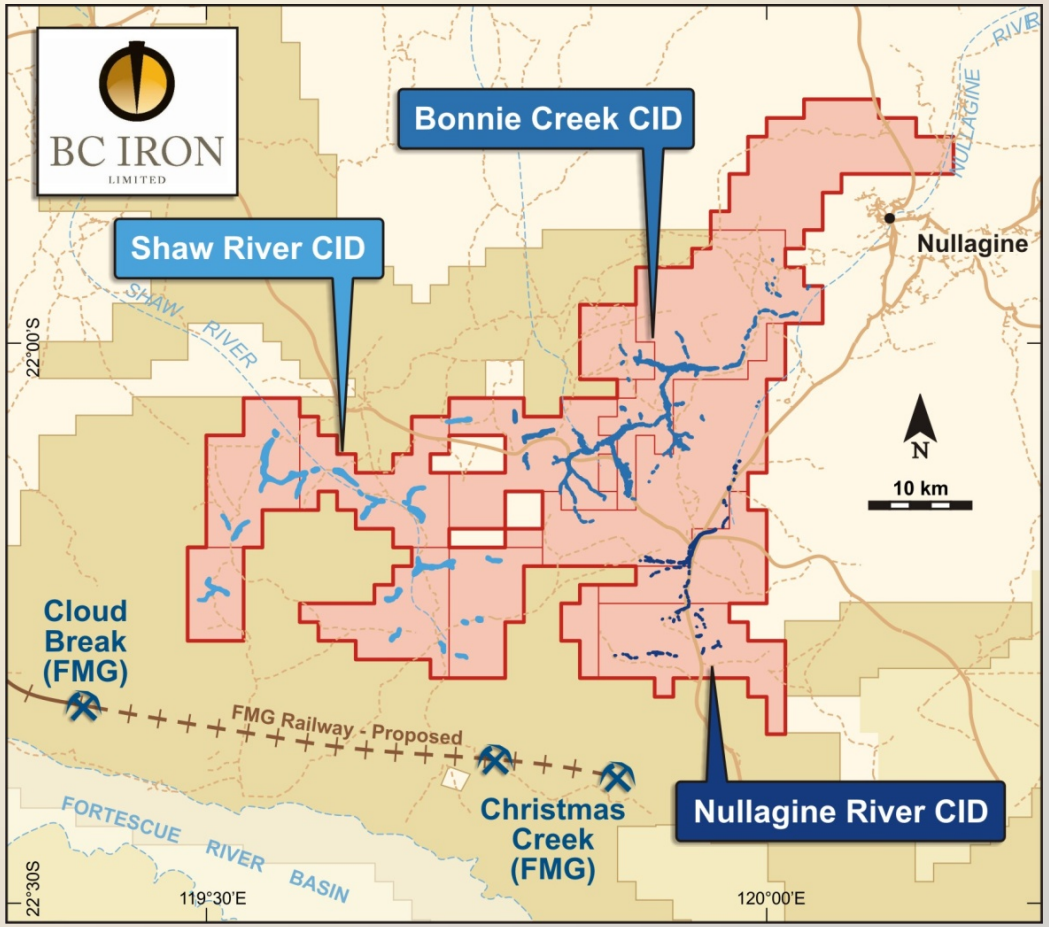
- 28 Mt DSO 57.4% Fe (65% CaFe)
- +30 Mt CID at >56%Fe targeted
- Ultra-low P, High quality sinter blend
- Adjacent to FMG operations

Nullagine River CID

- DSO & upgrade CID (~5 Mt)

Shaw River CID

- Potential DSO, upgrade & detritals



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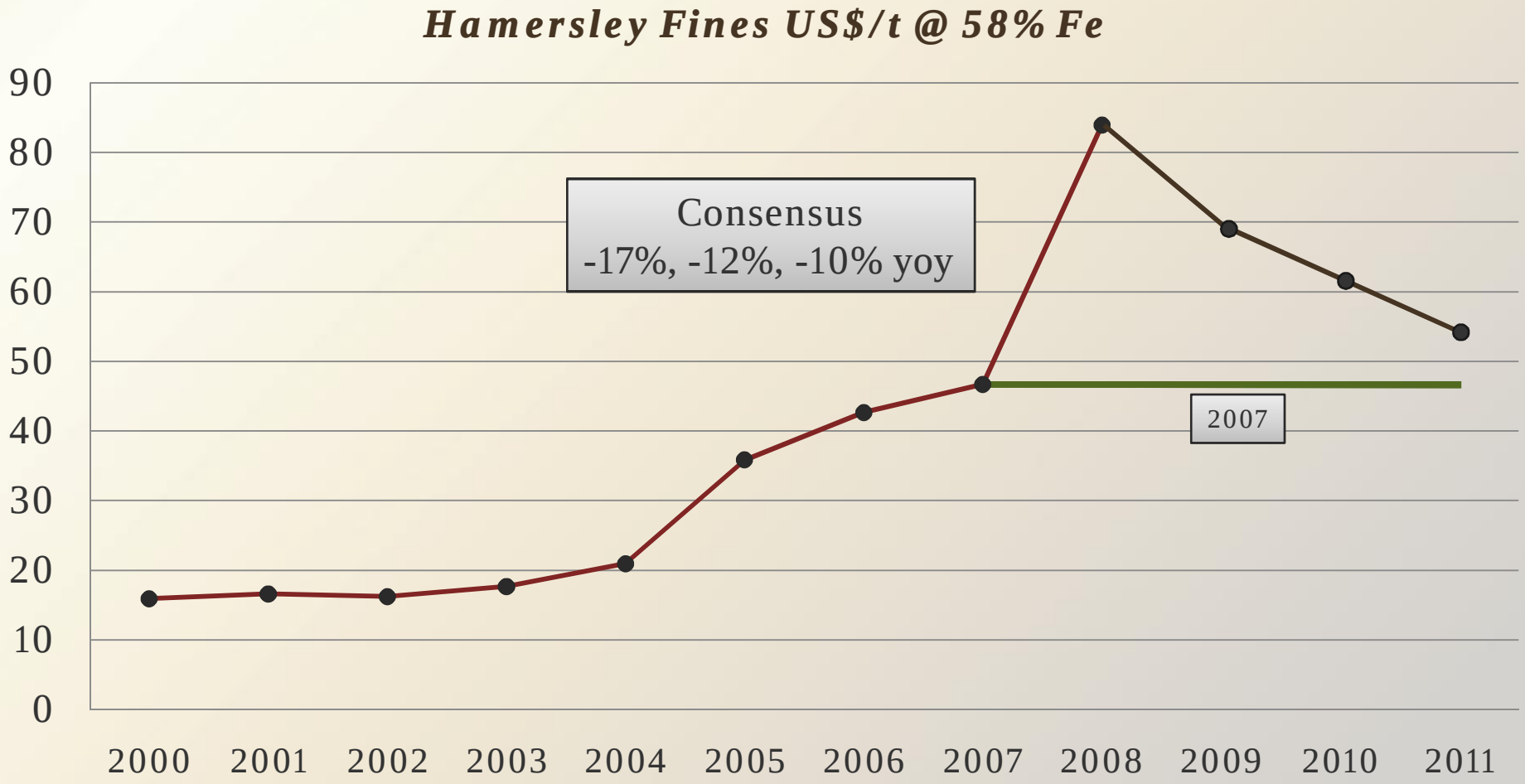
Fundamentals are creeping back in

- Sudden supply surplus brings inflection forward from JY2012 to JY2009
- Decreased supply through production curtailment underway (RIO, VALE, FMG)
- Consolidation/closure of high cost producers and marginal projects mitigates "free fall" impact on contract prices
- In China, the current average mined Fe head grade is an average of 28%
- Private enterprises in China are prone to cost of recovery
- Chinese domestic production should decrease as recent capacity was supported by current historic high pricing (benchmark and spot)

Fundamentals are creeping back

- In China seaborne : domestic sources of iron ore is 50:50
- Domestic slow-down to ~40% may be sufficient to push market back into deficit
- China to lower steel export duties and accelerate stimulus packages
- Current port stock holding position (70 – 90 Mt) offers leverage to the Chinese as part of the ongoing price negotiations once the JFY08/09 but.....
- Expect a considerable effort to destock as free storage time at port is now only 30 days. This should increase demand for seaborne DSO
- Some analysts have implied a long term price of US$60/t DSO FOB

(*With thanks to Tennant Metals Pty Ltd*)



(Source : Tennant Metals Pty Ltd)

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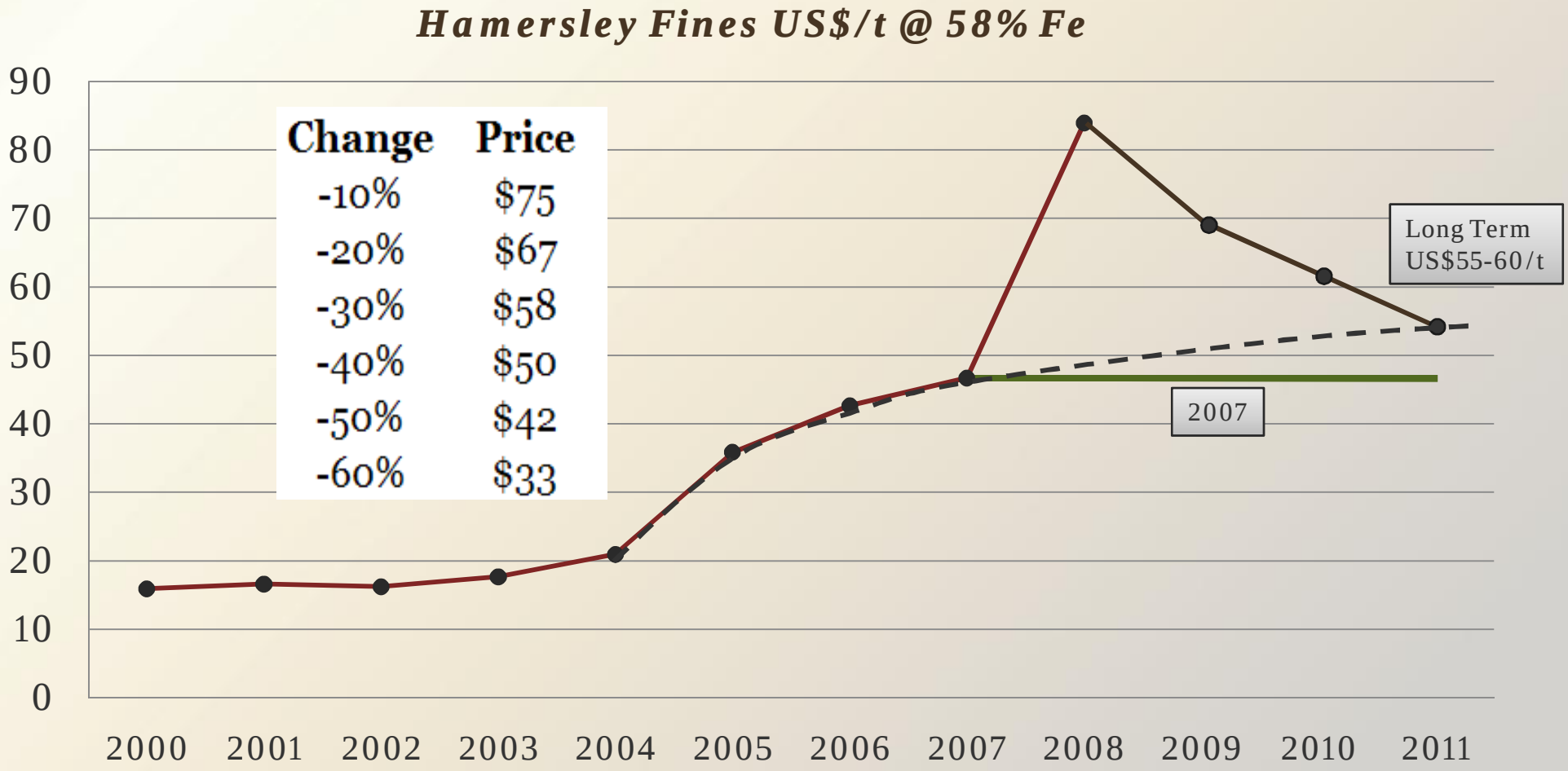
WHERE ARE PRICES GOING?

www.bciron.com.au



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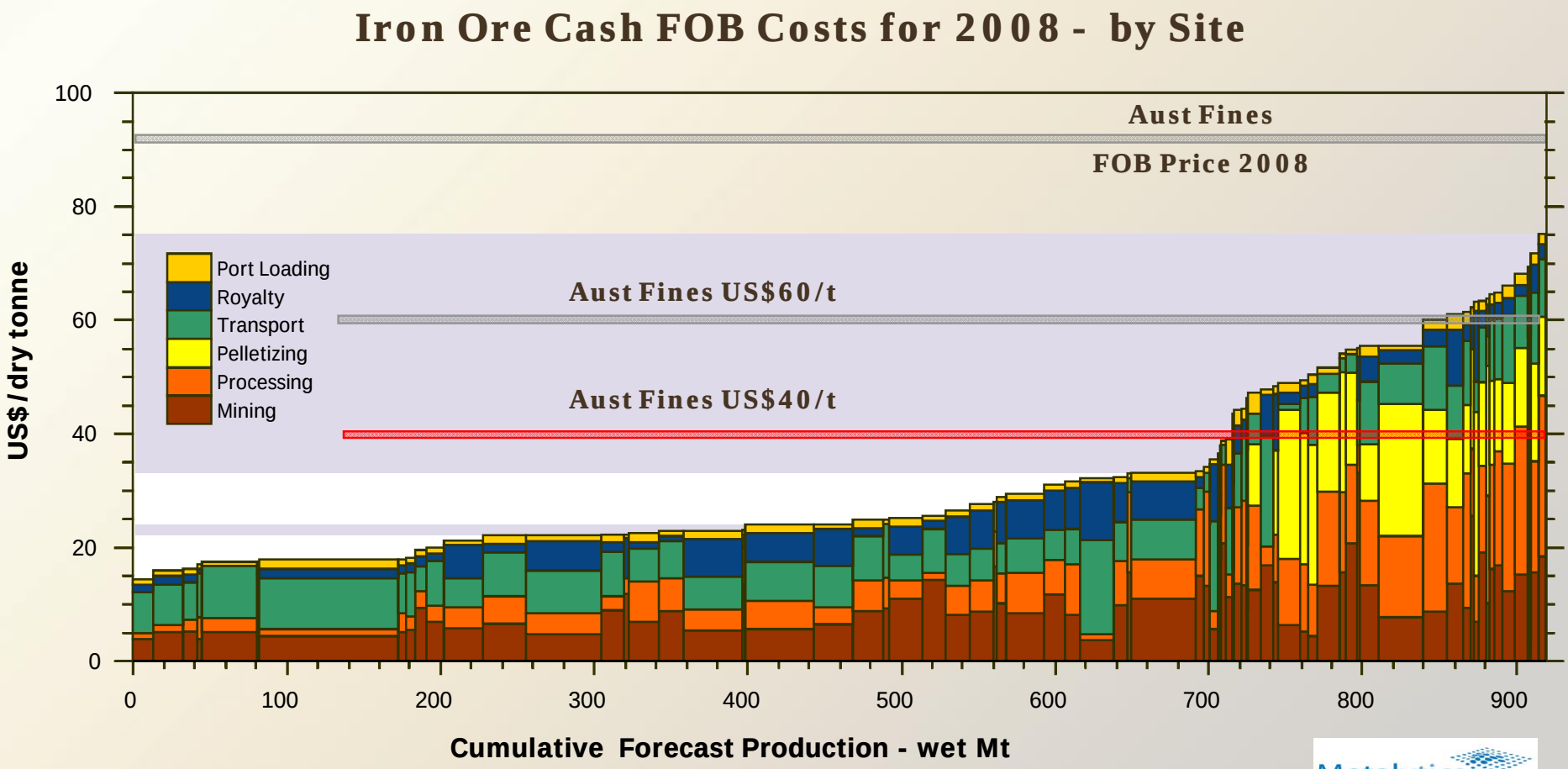

Source: Metalytics Iron Ore Briefing Third Quarter 2008

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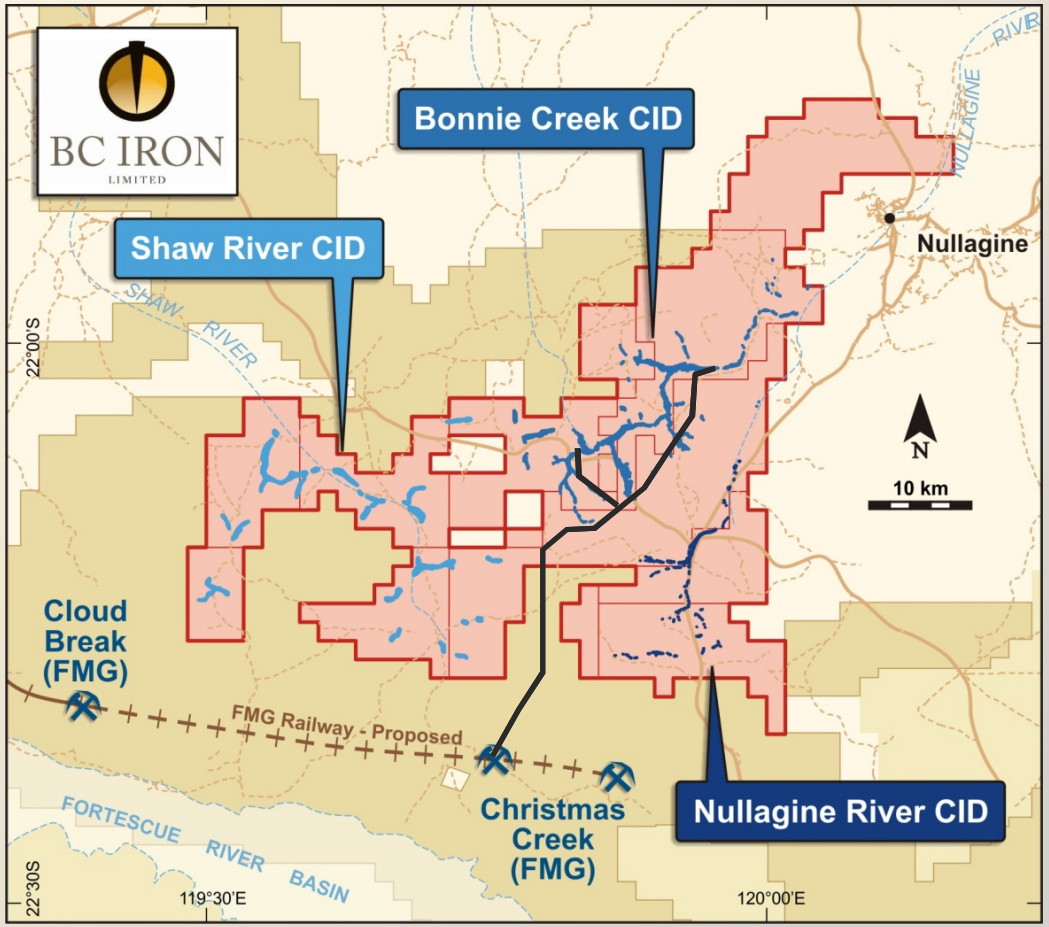
Strategy for falling metal prices – *reduce cost of recovery*

- Decrease effects of revenue downside
  - Mine higher grade Fe and/or lower impurities (Silica, Alumina, P, S)
  - Blending strategies mine/prospect/region scale
  - Parterships with mills – *match ore with mill (i.e. "niche feed sinter")*
- Reduce Capex
  - Hematite versus magnetite – lower cost, higher Fe recovery
  - Proximity to infrastructure
- Reduce Opex
  - Reduce strip ratios
  - Flexibility in mining techniques & infrastructure requirements

Bonnie Creek Project

- Startup/Ramp up 1.5/3/5 Mtpa
- CapEx A$20 -30 M
- OpEx ~$40/tonne FOB
- Very low strip ratio – ore at surface
- Vermeer continuous miner
- In-pit secondary crushing
- Road haul to Christmas Creek/Cloudbreak
- Expand capacity from cash flows



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

Mineral Resource Estimate - CID										
Prospect	COG[1]	Zone	Mt	Fe	CaFe	SiO_2	Al_2O_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 DSO	45.0	CID	47.2	53.6	61.5	4.82	3.33	0.017	0.018	12.7

- *For complete explanation see BC Iron release to the ASX, 31 March 2008*
- *The DSO resource estimate is a subset of the CID resource*

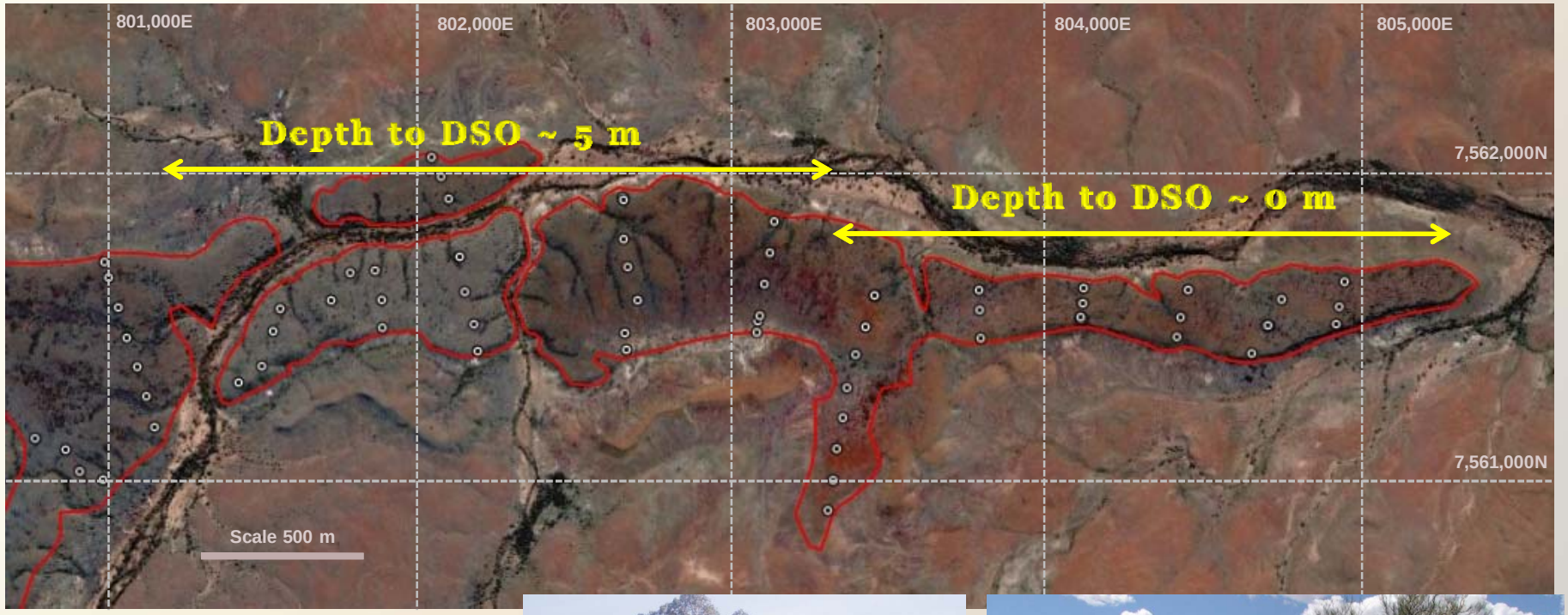
IRON ORE DEPOSITS – Pilbara Fines Peer Comparison

DSO Fines Deposits

Element/ Compound	Typical Spec	BCI CID Bonnie Ck	BHP CID Yandi	RIO CID Robe R	FMG Chichester
Fe	>57	**57.4**	58.0	57.0	59.1
CaFe		**65.1**	64.2	62.8	64.0
SiO_2	3 – 5	**3.0**	5.0	5.7	4.2
Al_2O_3	< 2.0	**1.7**	1.3	2.7	2.3
P	< 0.10	**0.02**	0.04	0.04	0.05
S	< 0.03	**0.02**	0.01	0.01	*n.a.*
LOI		**11.8**	9.7	9.2	7.6

BCI at 55% COG
FMG, RIO and BHP data from corporate websites

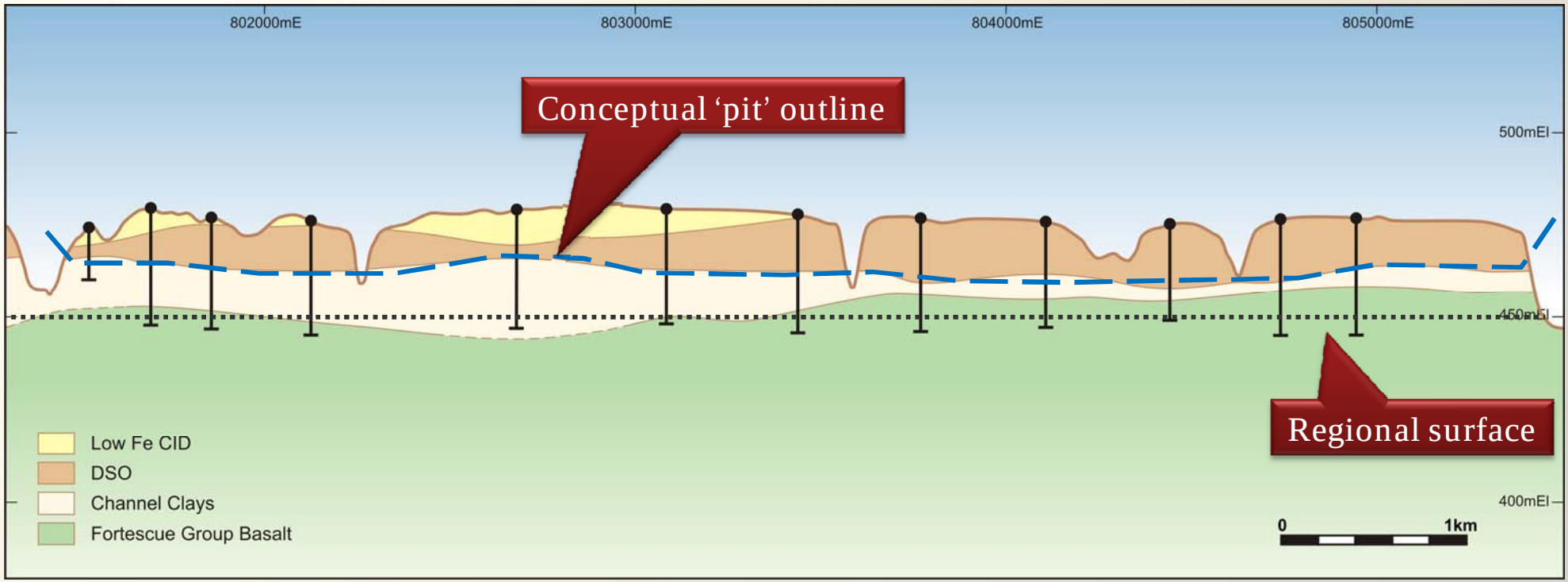
BONNIE CREEK CID – Outcamp Prospect



Outcamp Well

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

BONNIE CREEK CID – Outcamp Prospect



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

VERMEER TL1255 Terrain Leveler

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

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

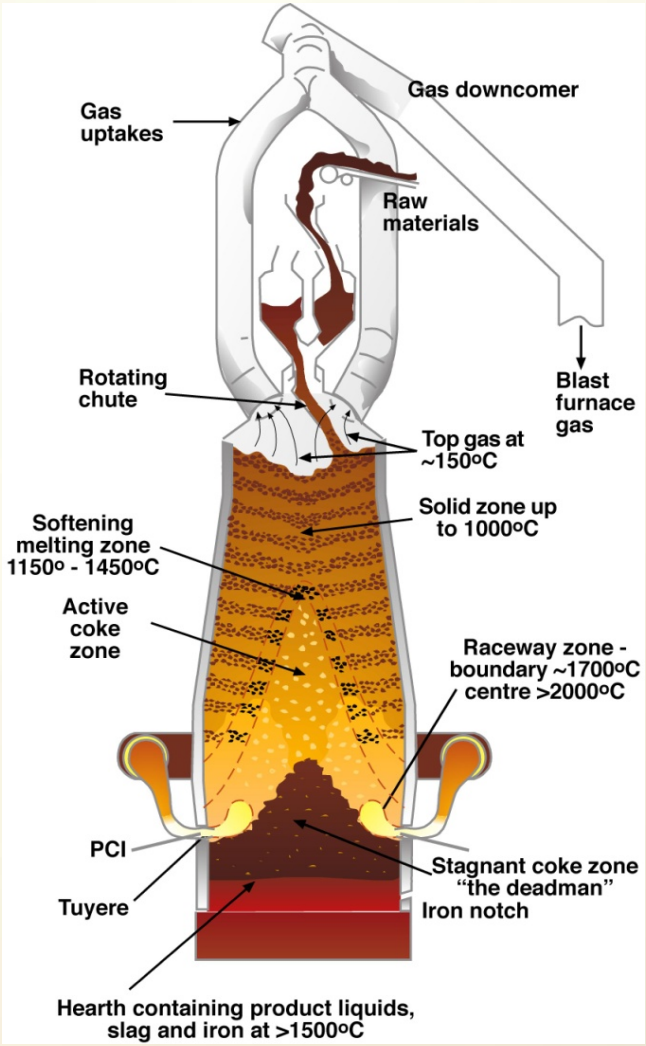
Short Term Strategy

- Rail Haulage Agreement with Fortescue
  - Utilise available rail/port capacity during FMG's ramp-up phase 2010-11
  - Common user facility and/or lease of alternate available capacity 2009-10

Long Term Strategy

- Rail Haulage Agreement with Fortescue
  - Port access via planned NWIOA facility - 2012
  - Rail Access Agreement with Fortescue
- Rail Access & contract haulage by third party
  - Port access via NWIOA facility

Fortescue ore train – photo by BC Iron



Blast furnace

- Iron ore & coal are added at the top in alternating layers – *lump & coke only*
- Hot air is blasted into the bottom of the furnace
- Rising gases provide environment for reducing the iron oxides – Fe_2O_3 → FeO
- Descending burden melts to create iron metal
- High Al_2O_3, SiO_2 affect furnace efficiency
- High S and P affect the steel quality

Sintering

- All iron ore mines produce a *lump* (6 – 30 mm) and a *fines* (< 6 mm) product
- Only lump ore can be used in the blast furnace
- Synthetic lump is made by from *fines* by high temperature agglomeration - ***sintering***
- Optimal physical properties of the sinter:
  - Strength, granularity, Fe content, reducibility
- Optimal sintering efficiency
  - Productivity, yield, assimilation

Sintering Qualities of BCI Ore

- Independantly tested in China
- Blended with a typical fines sinter
- Using 0, 10, 20, and 30% blend
- Resulted in increased quantity and quality of sinter – “First Class”
- Test work results:
  - Increased sinter yield
  - Improved sintering time
  - Improved tumble Index (strength)
  - Improved productivity
- Ultra-low Phosphorus (0.016%)

Timing

➢ Baseline Environmental Surveys	***Completed***
➢ Infill drilling	***Completed***
➢ Resource Estimate	Second Half 2008
➢ Feasibility Study	First Half 2009
➢ Mining Approvals	Second Half 2009
➢ Construction commences	Second Half 2009
➢ Production	First Half 2010

Drilling at Coongan Well

Iron Market

- ✓ Supply:demand 'inflection' arrives early
- ✓ Response is decreased production/closure – prevents "free fall"
- ✓ Chinese internal ROM 50% of ore supply grades ~28% Fe
- ✓ Internal supply to soften on prices → internal deficit
- ✓ *Iron making tending towards traditional specifications*

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- ✓ *Fast Track 1.5 Mtpa plan - $20 - 30M CapEx*
- ✓ Low contaminants, high calcined iron grades
- ✓ "First Class" sinter blend – *high value in use*
- ✓ Niche product → specific mills targeted
- ✓ Quick path to cash flow - ***path to growth***

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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.

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