



AJM 12th Annual Global Iron Ore
& Steel Forecast Conference
March 2009

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Managing Director



PATH TO MINING

- Mineable Resource Pisolite Fines, low contaminants, *ultralow P*
- Mining & Heritage Approvals Surface mining, no pit, above water table
- Profitable Mining Methods Surface miner, low strip ratio, ore at surface
- Infrastructure Haulage agreement / State Agreement Access
- Market Offtake secure, *Niche sinter product*
- Community Benefit 200 employees, ~\$175M royalties, WA Owned



Company

- Listed ASX December 2006 - Maiden resource March 2008
- Meas & Ind Resource Jan 2009 – DFS June 2009
- Major shareholders → ConsMinerals and Alkane Resources
- Offtake agreement with Tennant Metals

Nullagine Project

- Resource **46Mt @ 57% Fe** and low Al₂O₃ and P
- Feasibility Study underway on 1.5 Mtpa, low Capex startup
- Direct Shipping, high-quality **Sinter Blend Ore**
- *Expansion through cash flow 1.5 → 3.0 → +5.0 Mtpa*





Nullagine Project

- 1500 km² holding in Pilbara
- Adjacent to existing infrastructure

Bungaroo Creek Project

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





Bonnie Creek CID

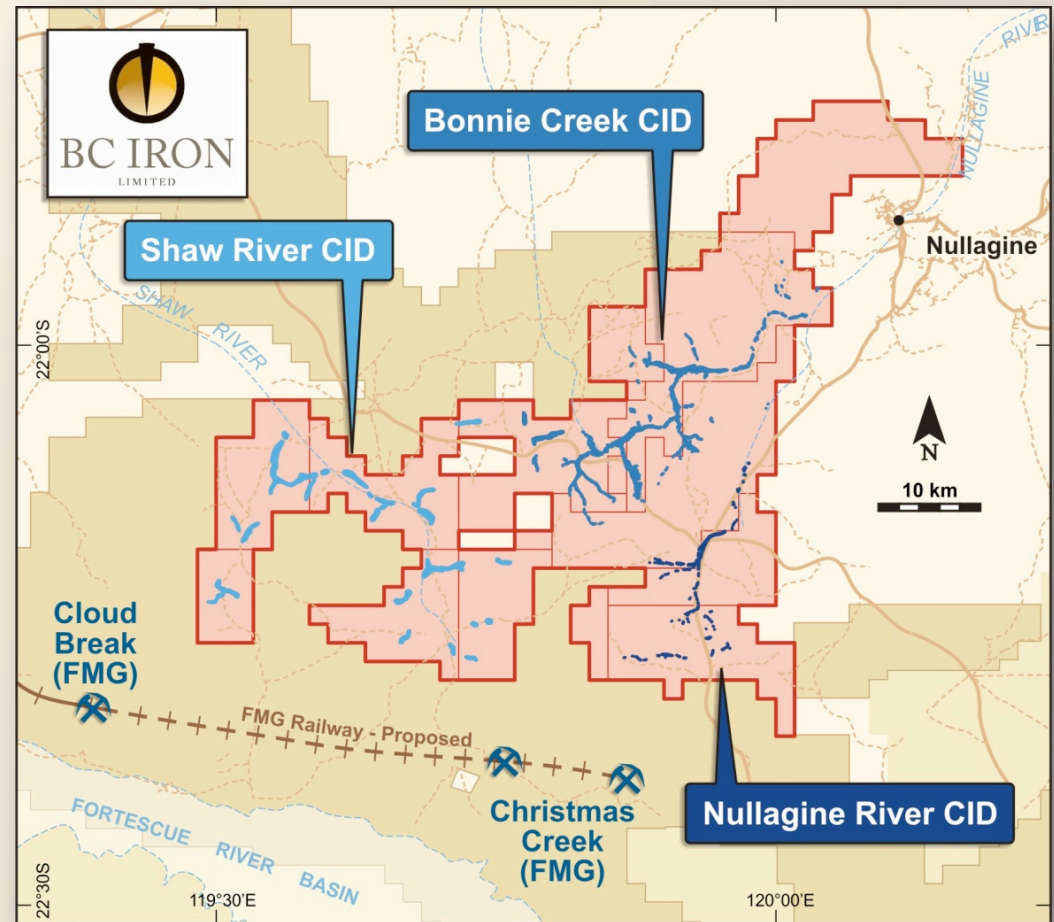
- 46Mt DSO 57.0% Fe (64% CaFe)
- 60 Mt DSO 56.0% Fe present
- Ultra-low P, High quality sinter blend
- Adjacent to FMG operations

Nullagine River CID

- DSO & upgrade CID (~5 Mt)

Shaw River CID

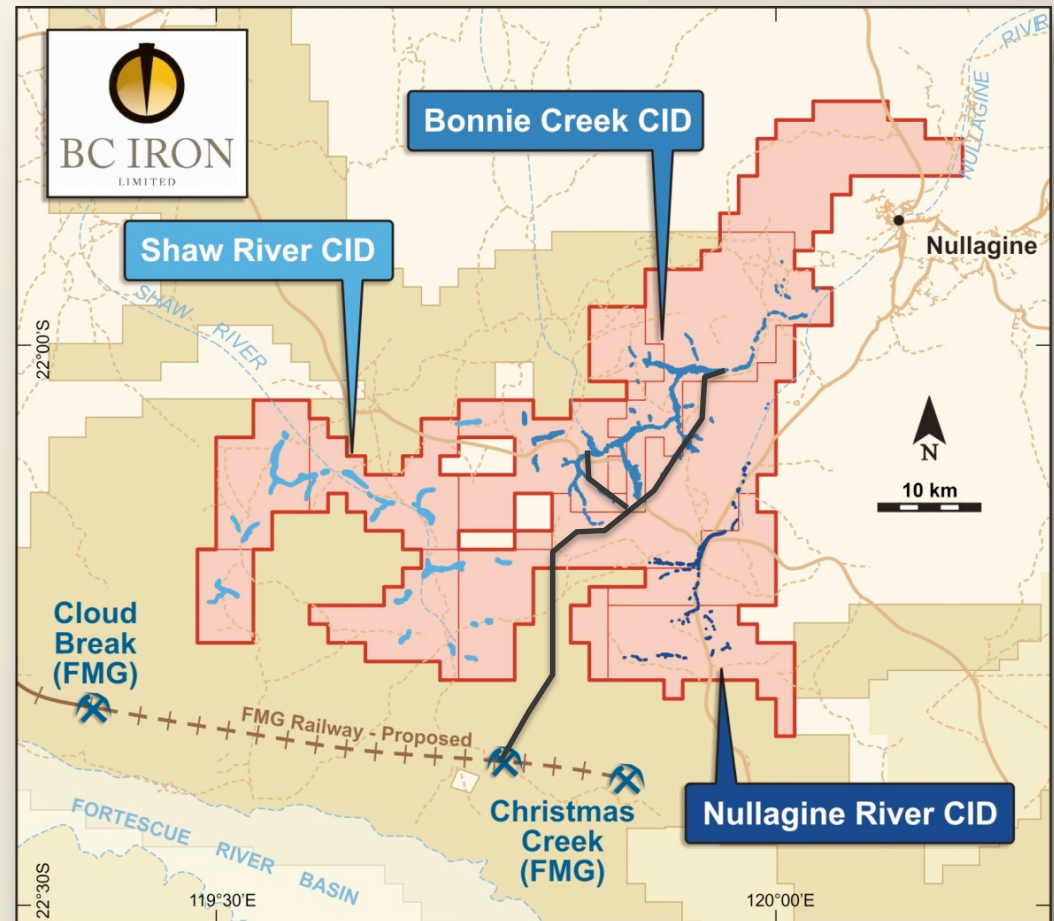
- Potential DSO, upgrade & detritals





Bonnie Creek Project

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





Total Mineral Resource Estimate – January 2009

DSO Resource Estimate

Class	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Measured	1.7	57.0	64.8	3.50	2.10	0.02	0.02	12.0
Indicated	41.2	57.0	64.7	3.10	2.10	0.02	0.01	12.0
Inferred	3.3	56.8	64.5	3.40	2.10	0.02	0.01	11.9
TOTAL DSO	46.2	57.0	64.7	3.18	2.11	0.02	0.01	12.0

CID Resource Estimate

Class	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Measured	2.0	55.9	63.6	4.10	2.80	0.02	0.02	12.1
Indicated	72.8	54.0	61.8	4.50	3.10	0.02	0.01	12.7
Inferred	5.3	53.8	61.6	4.60	3.20	0.02	0.01	12.6
TOTAL CID	80.2	54.0	61.9	4.46	3.08	0.02	0.01	12.7

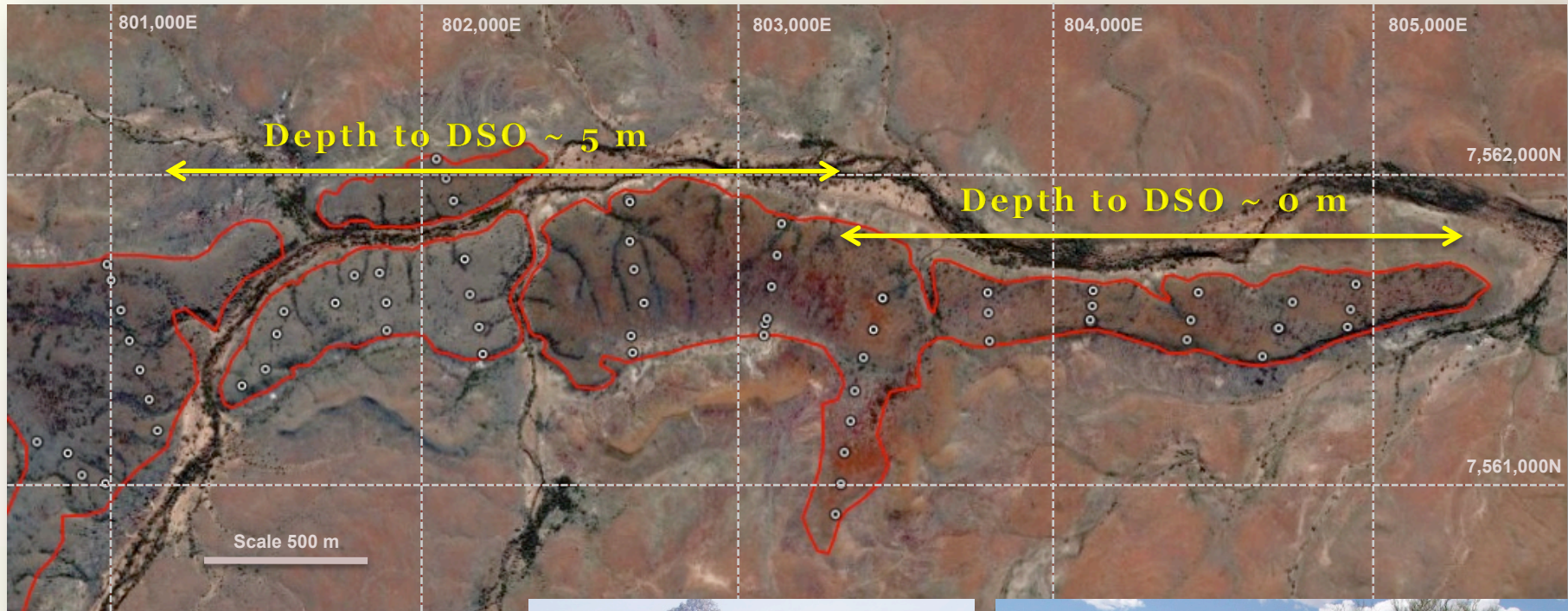
- For complete explanation see BC Iron release to the ASX, 8 January 2009
- The DSO resource estimate is a subset of the CID resource



DSO Fines Deposits

Element/ Compound	Typical Spec	BCI CID Bonnie Ck	BHP CID Yandi	RIO CID Robe R	FMG Chichester
Fe	≥57	57.0	58.0	57.0	59.1
CaFe	>60	64.7	64.2	62.8	64.0
SiO ₂	3 – 5	3.1	5.0	5.7	4.2
Al ₂ O ₃	≤ 2.0	2.1	1.3	2.7	2.3
P	< 0.10	0.016	0.04	0.04	0.05
S	< 0.03	0.01	0.01	0.01	<i>n.a.</i>
LOI		11.8	9.7	9.2	7.6

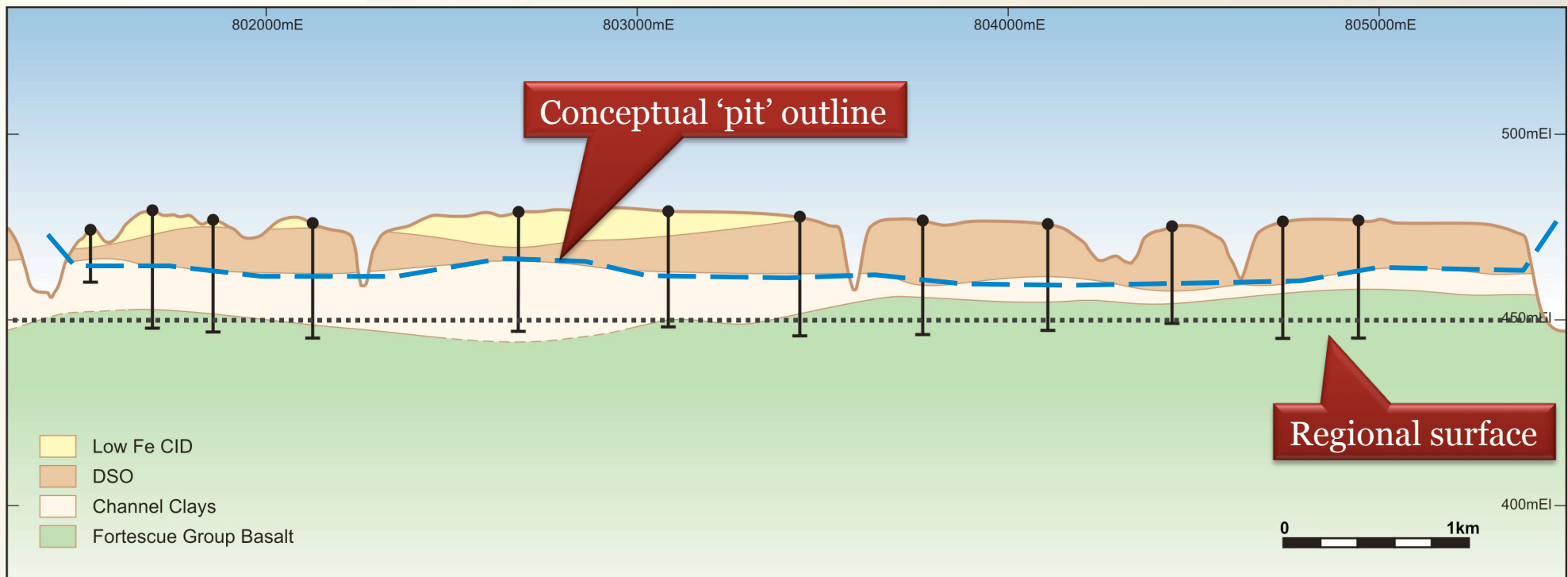
*BCI Resource Estimate Jan 2009
FMG, RIO and BHP data from corporate websites*



Outcamp-Warrigal

- 38 Mt at 57.0% Fe (64.7% CaFe)
- Low strip ratio
- Outcropping mineralisation





- 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



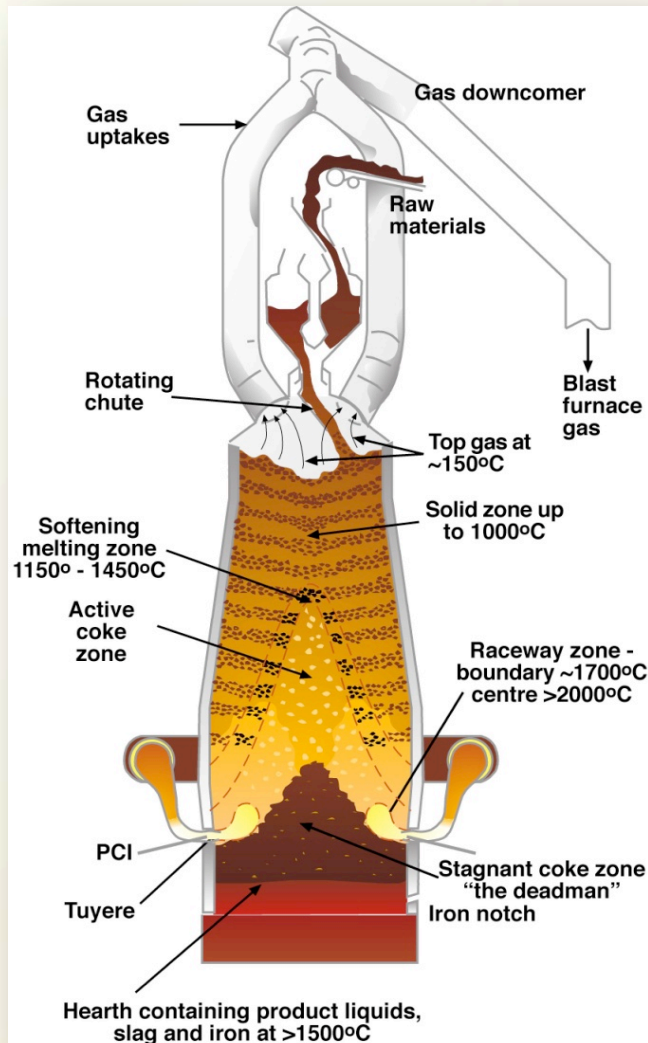
- Ore body at top of hills, no mining below surface
- Accessible by 4 WD along length of ore bodies
- Simple surface mining, very low strip ratios



VERMEER TL125 Terrain Leveller

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

VERMEER TL125 operating at Cloud Break (FMG) – 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 – $\text{Fe}_2\text{O}_3 \rightarrow \text{FeO}$
- 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* and *finer* but only lump can be used in the blast furnace
- Synthetic lump is made by from *finer* by high temperature agglomeration - **sintering**
- Sintering creates “*Made to order*” lump
- Optimal physical properties of the sinter:
 - Strength, Fe content, impurities, reducibility
- Optimal sintering efficiency
 - Productivity, yield, assimilation





Sintering Qualities of BCI Ore

- Independently tested in China – Shandong Uni
- Blended with a typical fines sinter feed
- 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%)
- Sample tested 55.4% Fe & 2.4 % Al₂O₃



Infrastructure Strategies

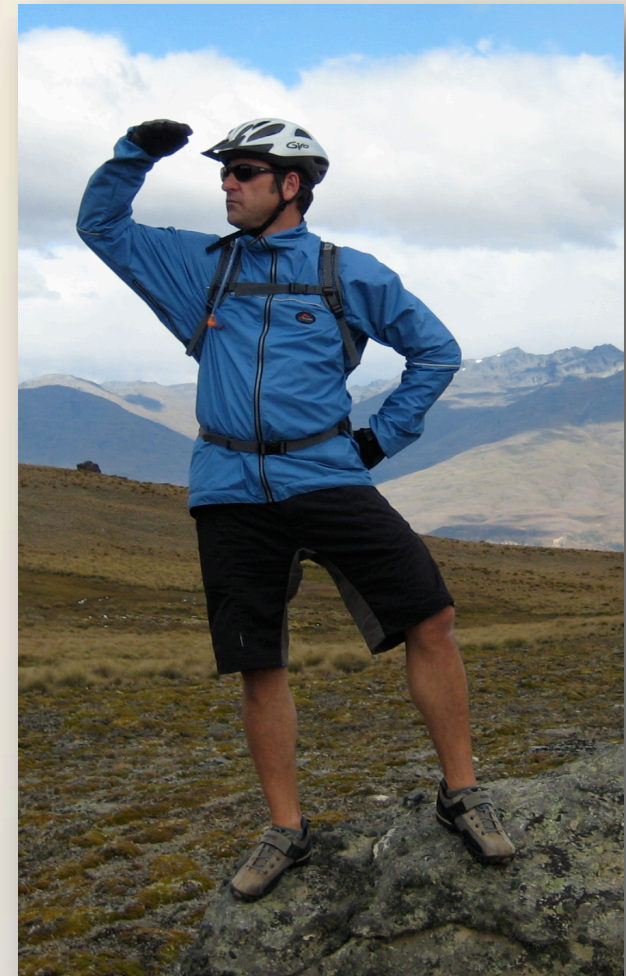
- Rail Haulage with FMG/TPI
 - Port access via TPI Anderson Point – 2009
 - Port access via Utah Point facility - 2010
 - Port access via planned NWIOA facility - 2012
- Rail Access under TPI State Agreement using contract haulage by a rail company on TPI railway
 - Port access via Utah Point facility - 2010
 - Port access via planned NWIOA facility – 2012



Fortescue ore train – photo by BC Iron

Marketing Offtake

- Offtake agreement with Tennant Metals
 - 25% Offtake to Tennant as Principal or Agent
 - Mechanisms for increased offtake
 - Australian company – Australian bank payments
- BC Iron Ore Marketing Strategy
 - Customised sinter blend – high *Value in Use*
 - Ultra-low P – “*like gold*” – blend Indian/Chinese ores
 - Develop Long Term Contracts with niche mills to deliver security from Mine to Mill



On the lookout for a good deal

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



Drilling at Coongan Well

Path to Mining

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RESOURCE	MINING	RAIL & PORT	CUSTOMER
+46 Mt			
	<\$20/t		
		<\$20/t	
			25% Offtake +



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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 the drilling data and geological interpretations 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 Richard Gaze who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates. Both Mr Young and Mr Gaze have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Gaze 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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SUPPORTING STATEMENT

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*Translation -
The lawyers are winning.*



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