

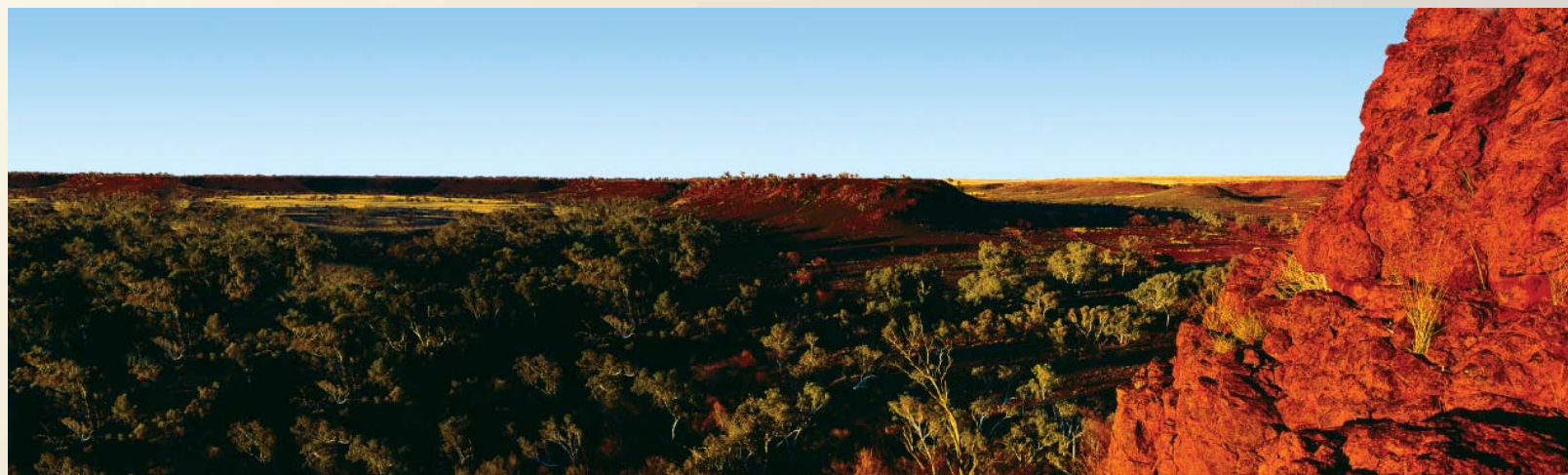


RIU Sydney
May 2009

Mike Young
Managing Director



- Resource **51Mt @ 57% Fe** and low Al_2O_3 and *ultra low P*
- Direct Shipping, high-quality **Sinter Blend Ore**
- Mining – simple geometry, surface miners, low impact
- Feasibility Study nearing completion – June '09
- Infrastructure – discussions with FMG continuing
- Marketing – up to 50% offtake – *strong interest in the rest*
- Niche product with high *value-in-use*





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

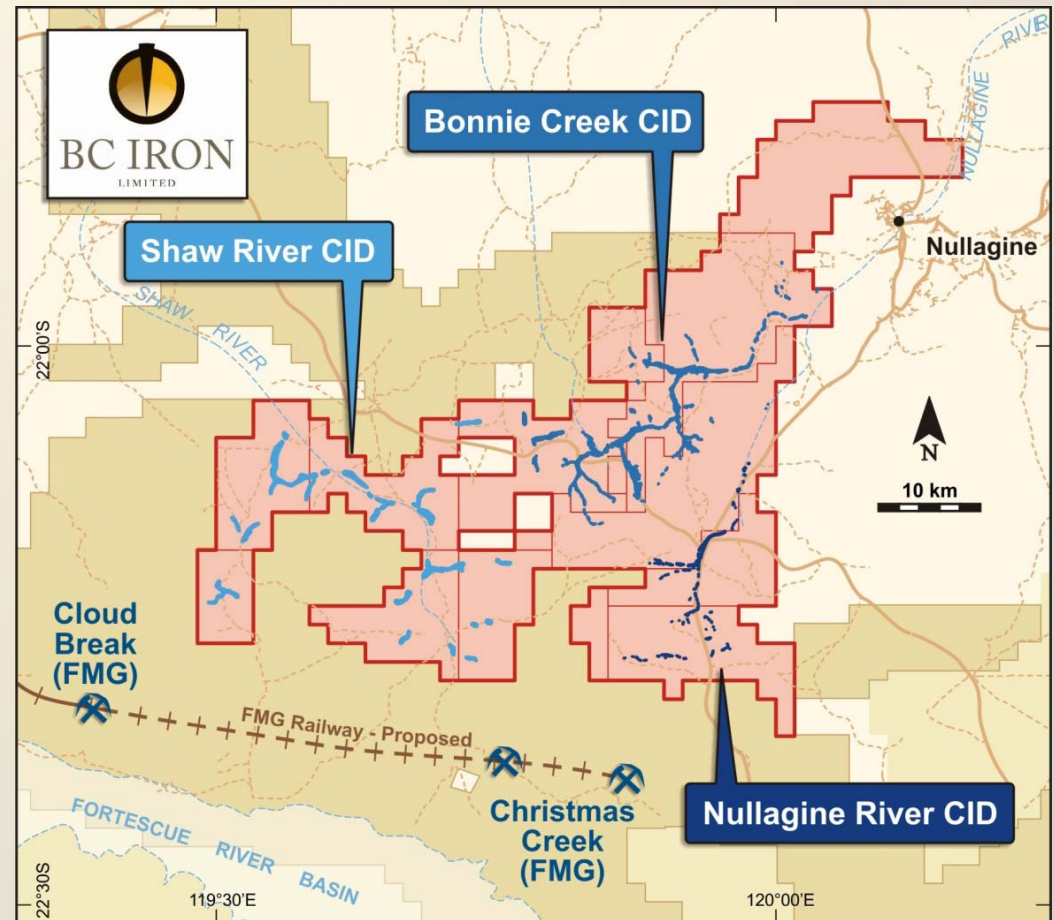
- 51Mt DSO 57.0% Fe (65% CaFe)
- ~65 Mt DSO 56.0% Fe present
- Ultra-low P, High quality sinter blend
- Adjacent to FMG operations

Nullagine River CID

- DSO & upgrade CID (~5 Mt)

Shaw River CID

- Potential DSO, upgrade & detritals





Total Mineral Resource Estimate – March 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	3.49	2.15	0.018	0.016	12.0
Indicated	38.6	57.0	64.7	3.15	2.09	0.016	0.011	12.0
Inferred	10.4	57.0	64.8	3.27	2.00	0.013	0.010	12.1
TOTAL DSO	50.7	57.0	64.8	3.19	2.07	0.015	0.011	12.0

CID Resource Estimate

Class	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Measured	2.2	54.5	62.1	4.94	3.65	0.018	0.017	12.1
Indicated	68.8	54.0	61.8	4.48	3.08	0.017	0.011	12.7
Inferred	18.1	54.7	62.3	4.27	2.85	0.013	0.018	12.1
TOTAL CID	89.1	54.1	61.9	4.45	3.05	0.016	0.013	12.6

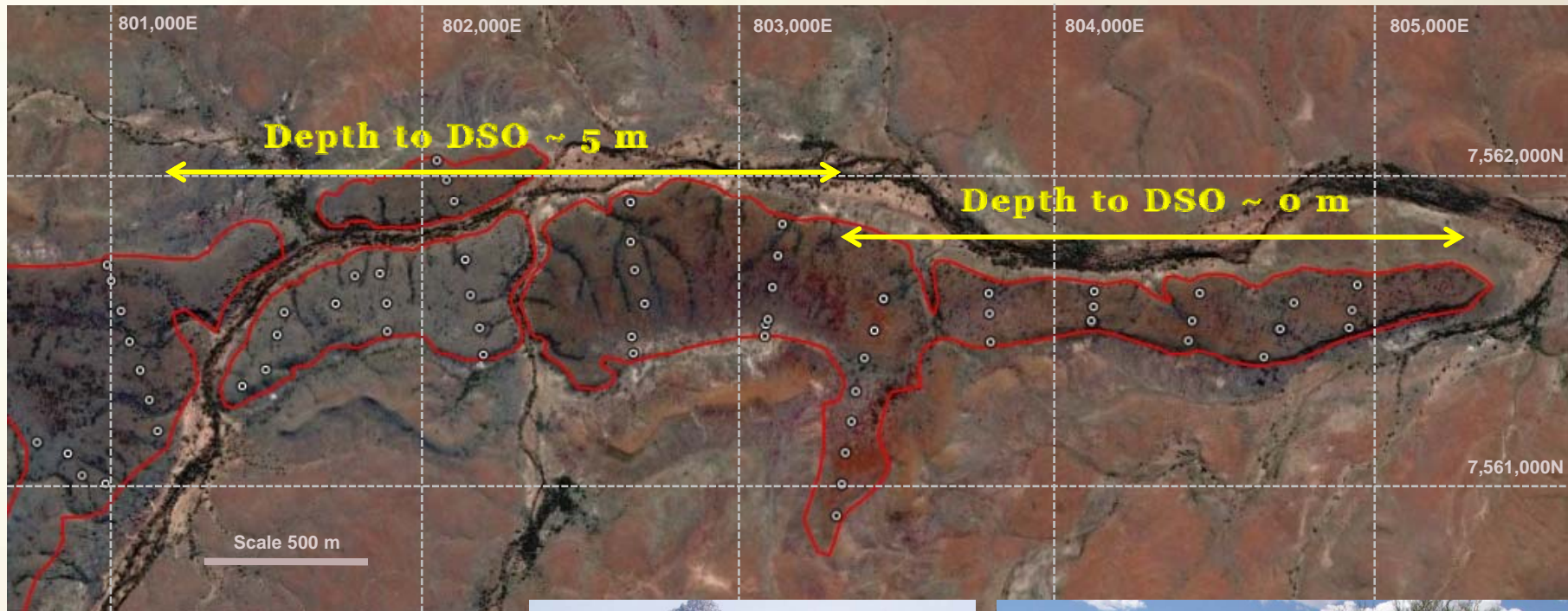
- The DSO resource estimate is a subset of the CID resource
- DSO resource reported at 57% Fe specification grade



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	64.8	64.2	62.8	64.0
SiO ₂	3 – 5	3.2	5.0	5.7	4.2
Al ₂ O ₃	≤ 2.0	2.1	1.3	2.7	2.3
P	< 0.10	0.015	0.04	0.04	0.05
S	< 0.03	0.011	0.01	0.01	<i>n.a.</i>
LOI	6-9	12.0	9.7	9.2	7.6

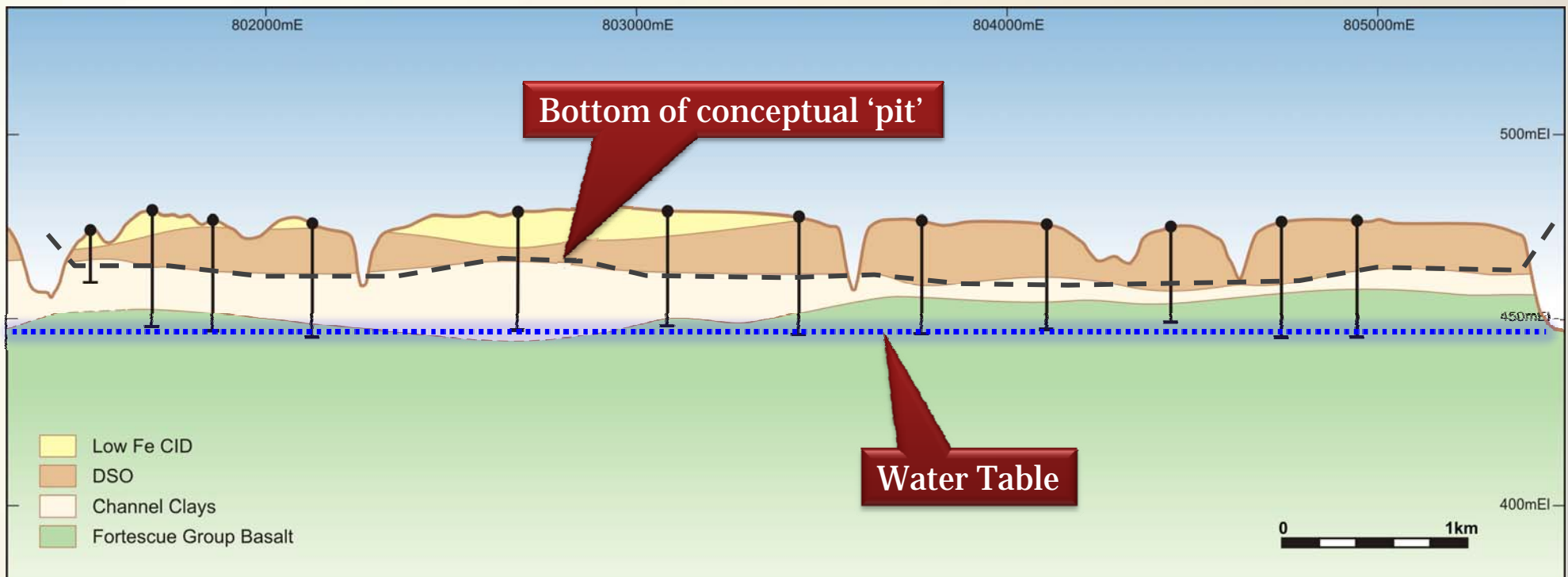
*BCI Resource Estimate Jan 2009
FMG, RIO and BHP data from corporate websites*



Outcamp-Warrigal

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



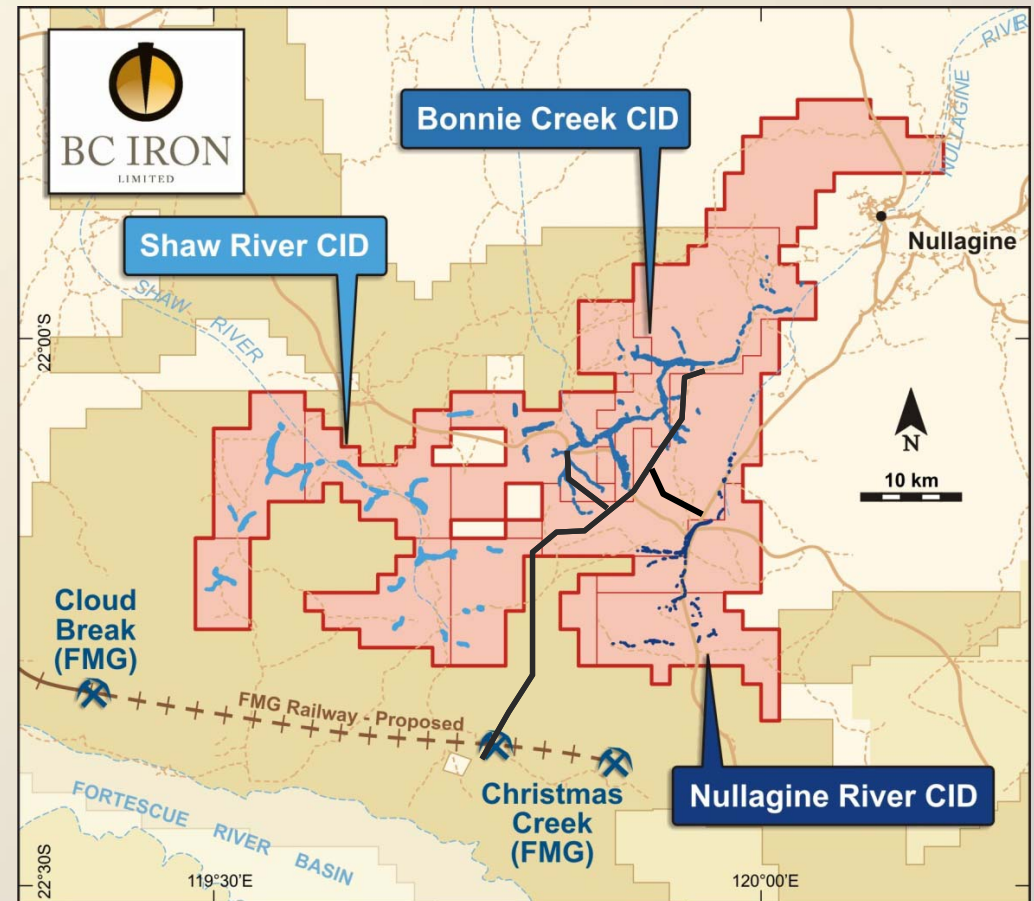


- Shallow “pits” mainly above surrounding plains - mining ore from day 1
- Above water table - lower environmental impact
- Low OpEx - low strip ratio, use of surface miners



Project Parameters

- 51Mt DSO 57.0% Fe (65% CaFe)
- Surface mining; in-pit crushing
- Startup 1.5 Mtpa, Ramp-up 3 → 5 Mtpa
- CapEx A\$35-50M
- OpEx ~\$40/tonne FOB
- Mine to ship via FMG rail and port
- Ultra-low P, High quality sinter blend
- Expand capacity through cashflow





VERMEER TL1255 Terrain Leveller

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



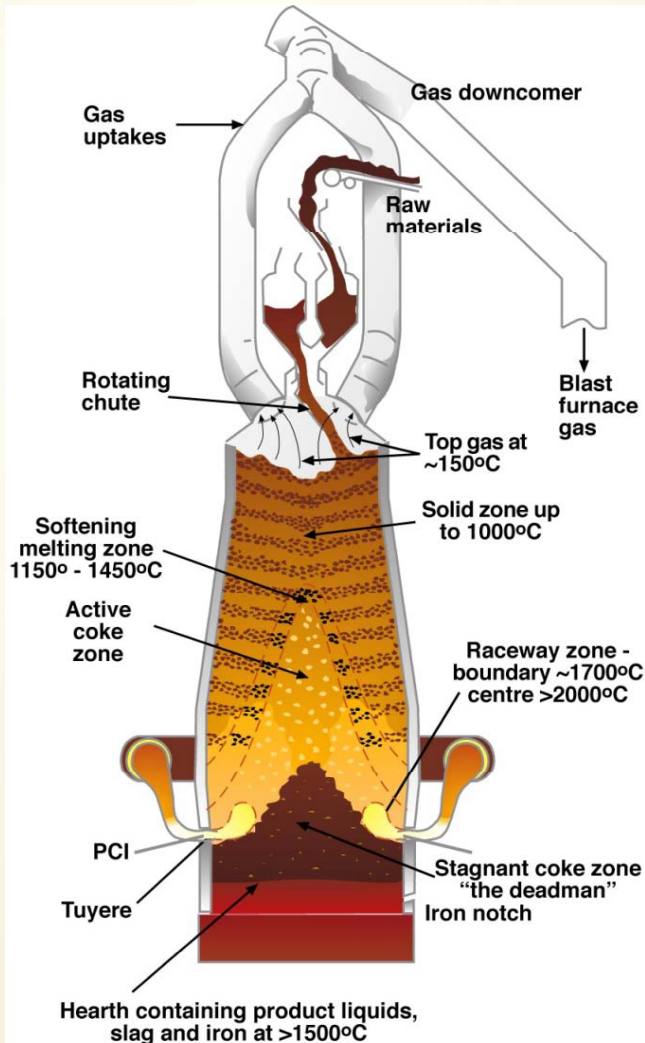
VERMEER TL1255 operating at Cloud Break (FMG) – photo by BC Iron

Infrastructure Strategies

- Rail Haulage agreement with FMG/TPI
 - MoU July 2007 - The Pilbara Infrastructure (TPI)
 - Rail haulage via TPI to Port Hedland
 - Port services via TPI Anderson Point
 - Discussions on going
- Rail Access under WA State Agreement using contract haulage by a 3rd party rail company on TPI railway
 - Port access via Utah Point facility – 2010-2012
 - Port access via planned NWIOA facility – 2012+



Fortescue ore train – photo by BC Iron

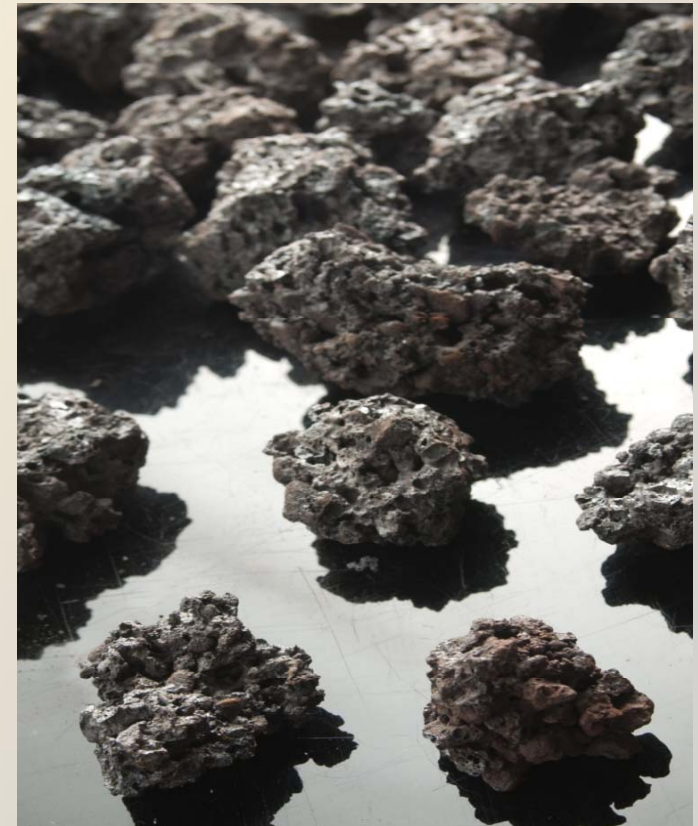


Blast furnace

- 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 – $\text{Fe}_2\text{O}_3 \rightarrow \text{FeO}$
- Descending burden melts to create iron metal
- High Al_2O_3 , SiO_2 affect furnace efficiency
- High P affects the steel quality – added costs

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



Why is NIOP ore so good?

Chemical advantages

- “Ultra low” Phosphorous (<0.02%)
- High Calcined Fe (>64%)

Physical advantages

- Low ultra-fines – improves sintering
- Large fines product sizing (9-10 mm) – lower crushing costs

Sintering advantages in Blend (Shandong University, PRC)

- High sintering yield (up to 77%)
- High productivity (up to 1.48 t/m²/hr)
- Tumble Index up to 68%
- Considered a ‘**First Class**’ sinter blend feedstock





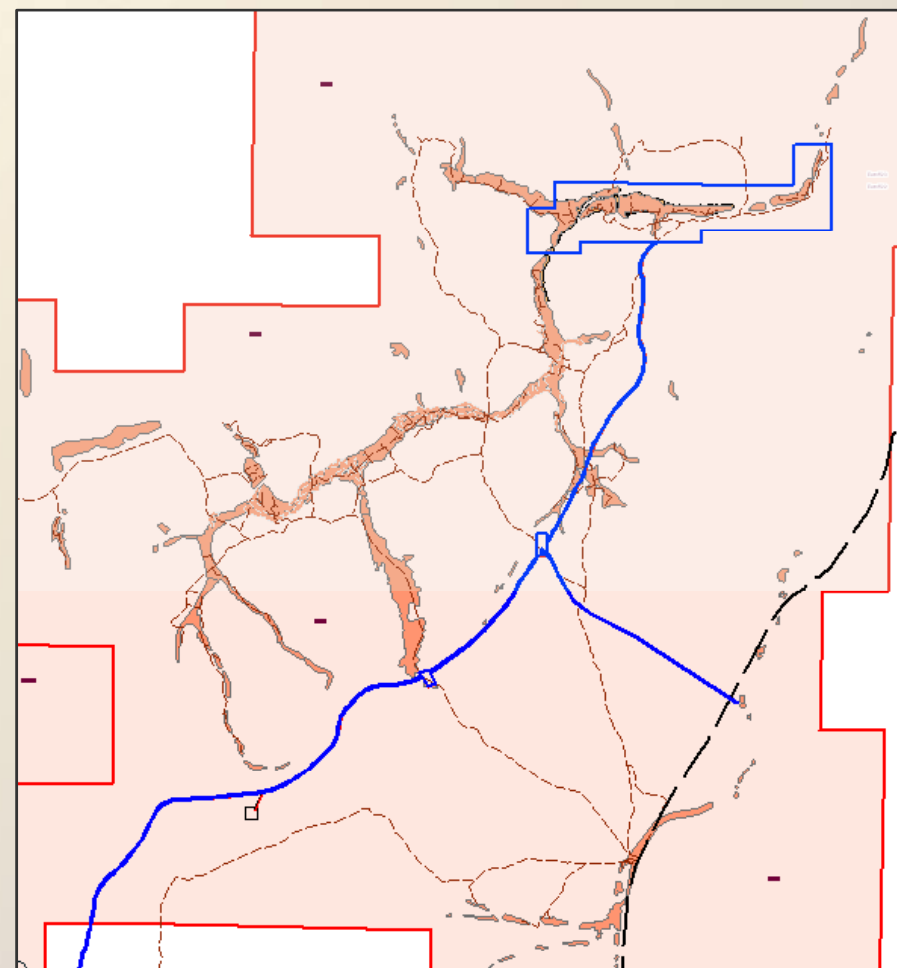
Marketing Offtake

- Offtake agreement with Tennant Metals
 - 25% Offtake as Principal or Agent at BC's option
 - Mechanisms for increased offtake to 50%
 - Australian company – *reduced counter party risk*
- BC Iron Ore Marketing Strategy
 - Customised sinter blend – High *Value in Use*
 - Ultra-low P – “*like gold*” – blend with lower quality ores
 - Develop Long Term Contracts with niche mills to deliver security from Mine to Mill



- Tenders May 2009
- Feasibility Study Complete June 2009
- Mining Approvals & Agreements 3rd Qtr 2009
- Construction Commences 2nd Half 2009
- Production Start-up 1.5 Mtpa 1st Half 2010
- Production Ramp-up 3.0 Mtpa 2nd Half 2010

1H 2009	2H 2009	1H 2010	2H 2010
Feasibility			
Approvals			
	Construction		
		1.5 Mtpa	
			3 Mtpa



Timetable conceptual only and dependant on haulage and port arrangements



Simple Path to Mining

- Mineable Resource High quality DSO, low contaminants, *ultralow P*
- Statutory Approvals No pit, above water table, NT agreement
- Simple Mining Methods Surface miner, low strip ratio, ore at surface
- Infrastructure MoU for Haulage and Port Services
- Market Offtake secure, *Niche sinter product*
- Community Benefit >100 employees, ~\$175M royalties



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 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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