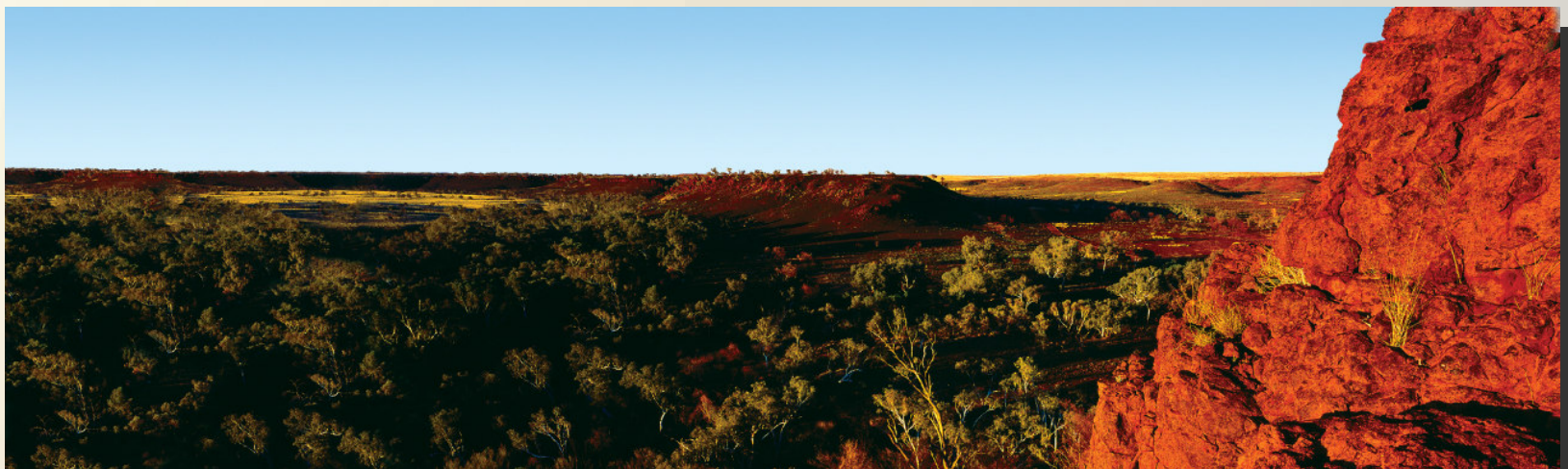




AMEC Mining Congress  
May 2009

Mike Young  
Managing Director

- Resource **51Mt @ 57% Fe** and low  $\text{Al}_2\text{O}_3$  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*
- Preferred product with high *value-in-use*





**Capital Structure** Number

Shares	59.4M
Options	6.1M

**Fully Diluted Total** **65.5M**

**Market Cap @ \$0.60** **\$36M**

**Cash on hand** **\$3.9M**

**Major Shareholders** Number % Total

Consolidated Minerals	15.6M	26%
Alkane Resources	9.0M	15%
UBS Wealth Management	2.9M	4.8%

**TOTAL** **26.5M** **45.8%**

**Board**

**Tony Kiernan** – Chairman

**Mike Young** – Managing Director

**Garth Higgs** – Non-exec Director

**Terry Ransted** – Non-exec Director

**Steven Chadwick** – Non-exec Director

**Management**

**Simon Storm** – Company Secretary

**Blair Duncan** – GM Operations

**Greg Hudson** – Chief Geologist



### Nullagine Project

- 1400 km<sup>2</sup> holding in Pilbara
- Adjacent to existing infrastructure at FMG

### Bungaroo Creek Project

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







### Bonnie Creek CID

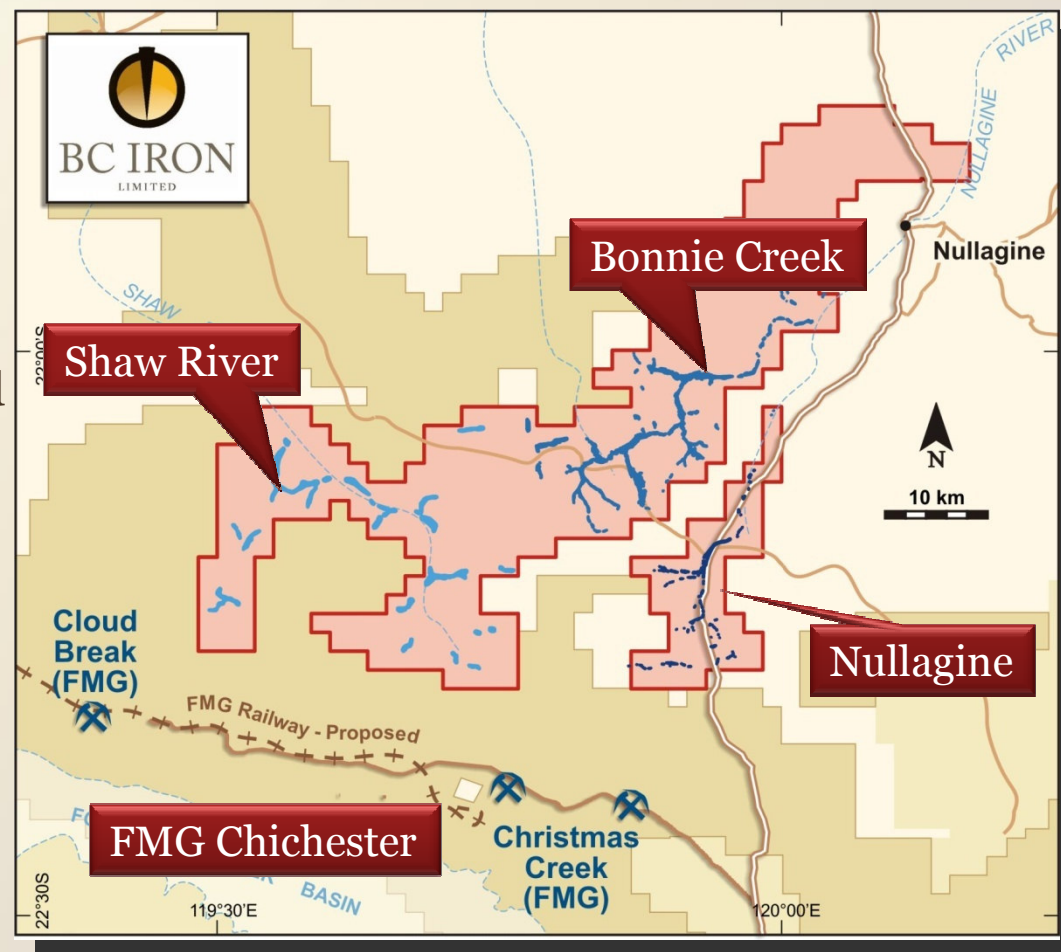
- 51Mt DSO 57.0% Fe (65% CaFe)
- ~65 Mt DSO 56.0% Fe present
- Ultra-low P, High quality sinter blend
- Outcropping, ore at surface

### 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 <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI <sub>1000</sub>
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
<b>TOTAL DSO</b>	<b>50.7</b>	<b>57.0</b>	<b>64.8</b>	<b>3.19</b>	<b>2.07</b>	<b>0.015</b>	<b>0.011</b>	<b>12.0</b>

### CID Resource Estimate

Class	Mt	Fe	CaFe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI <sub>1000</sub>
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
<b>TOTAL CID</b>	<b>89.1</b>	<b>54.1</b>	<b>61.9</b>	<b>4.45</b>	<b>3.05</b>	<b>0.016</b>	<b>0.013</b>	<b>12.6</b>

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

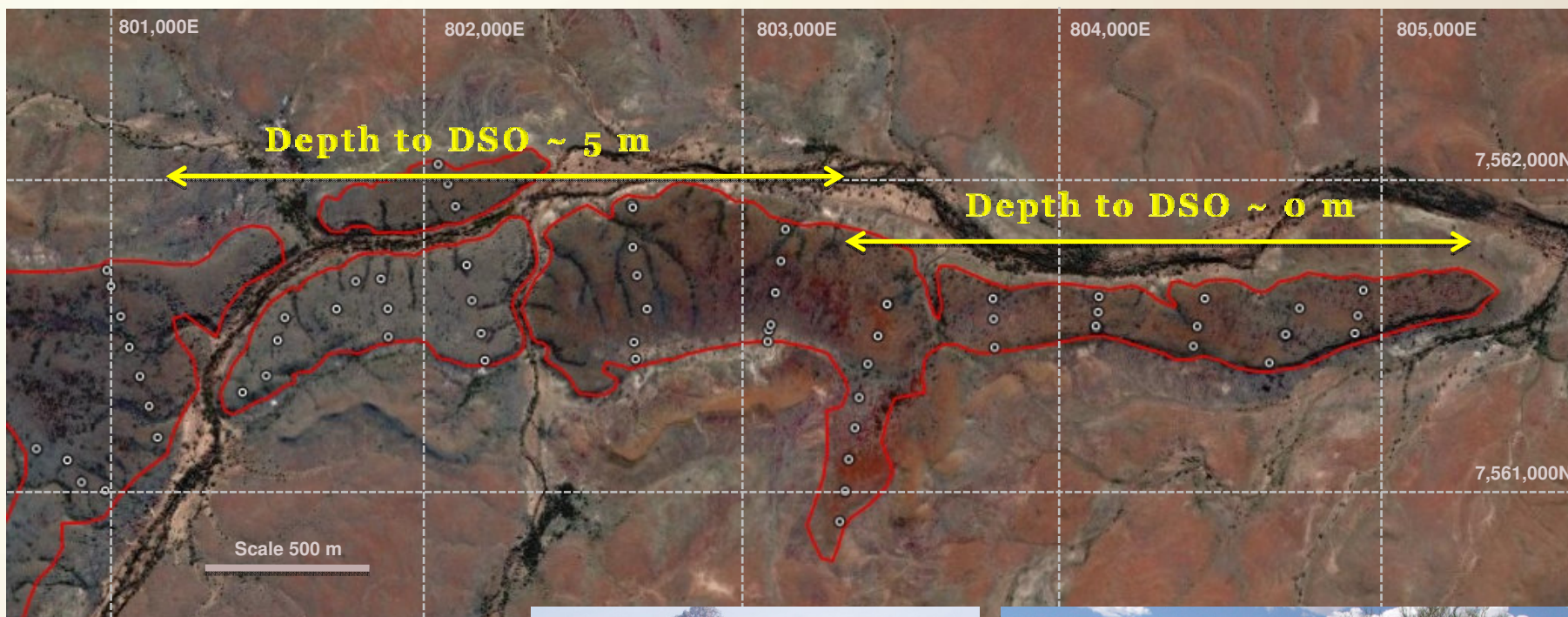
### Pilbara DSO Peer Comparison

Element	CID	Pilbara Lump	Pilbara Fines	NIOP CID
Fe	57 – 58.5%	61 – 65%	58 – 64%	57%
SiO <sub>2</sub>	3 – 6%	3 – 4%	5.0	3%
Al <sub>2</sub> O <sub>3</sub>	1.3 – 2.7%	1.3 – 2.0%	1.3 – 2.0%	2%
P	0.04	0.03 – 0.08	0.05 – 0.08	0.02

### Shipping Specifications

- Grade ranges of typical Brockman, Marra Mamba and CID exports
- Final specifications are customer dependant and may vary
- NIOP are resource estimate figures



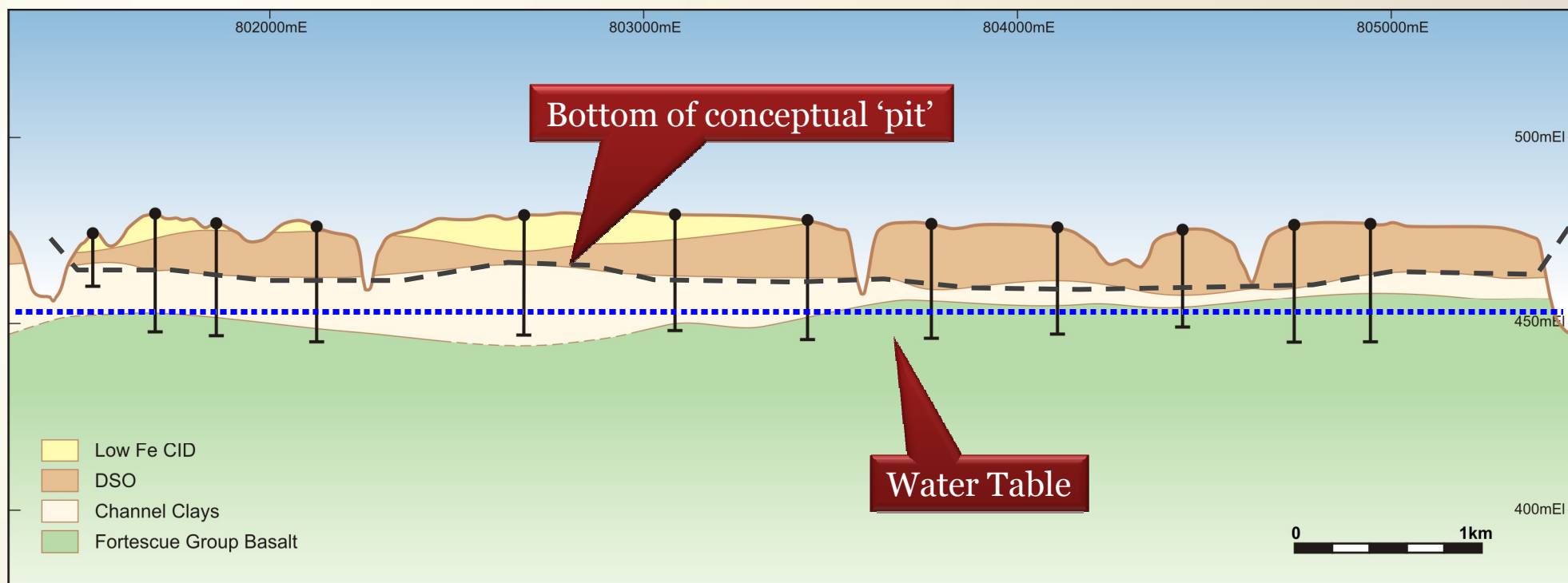


### Outcamp-Warrigal

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





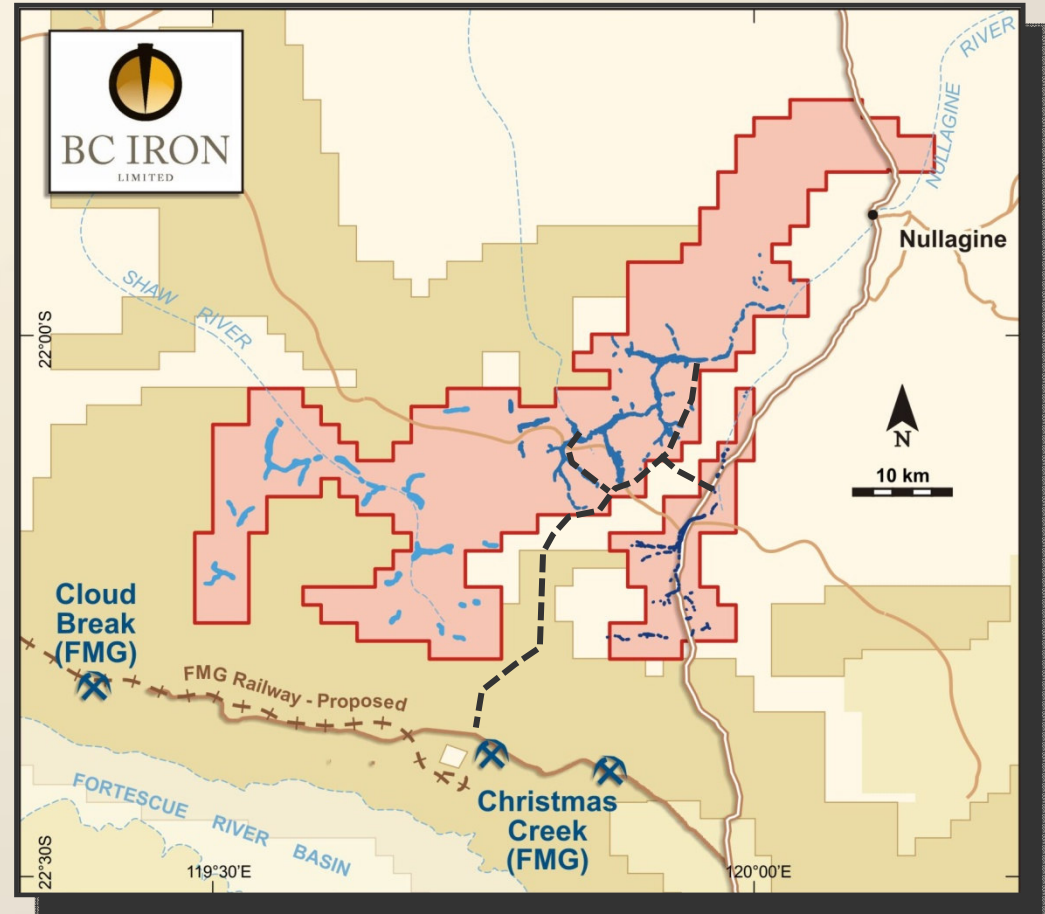


- Shallow “pits” mainly above surrounding plains - mining ore from day 1
- Above water table - lower environmental impact
- Low OpEx - low strip ratio, use of surface miners



## 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
- Mine to ship via TPI rail and port
- Ultra-low P, high-quality sinter blend
- Expand capacity through cashflow





### **VERMEER TL1255 Terrain Leveller**

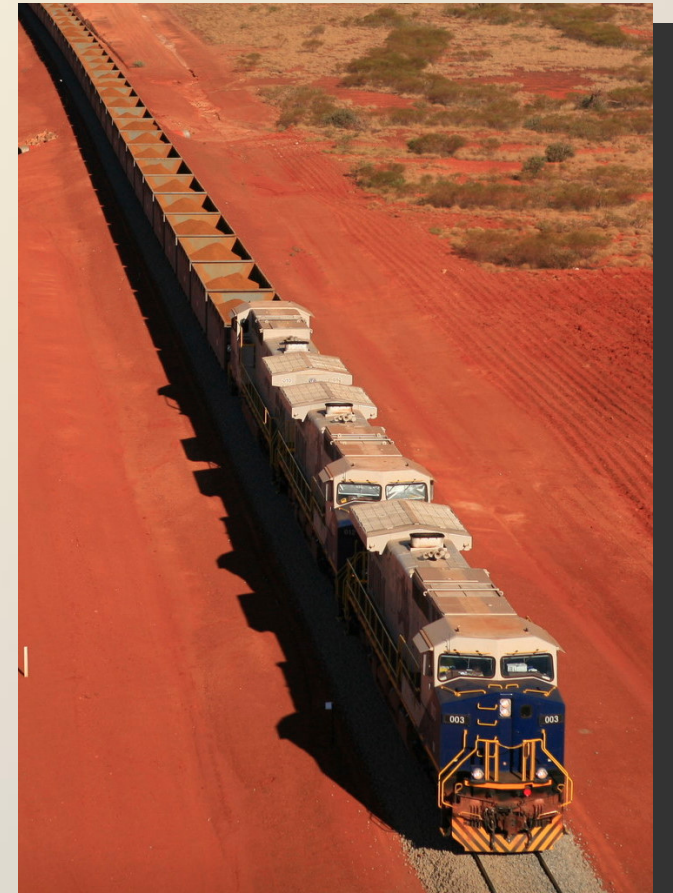
- Drill & Blast not required
- Primary Crushing not required
- Mine Haul Trucks not required

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



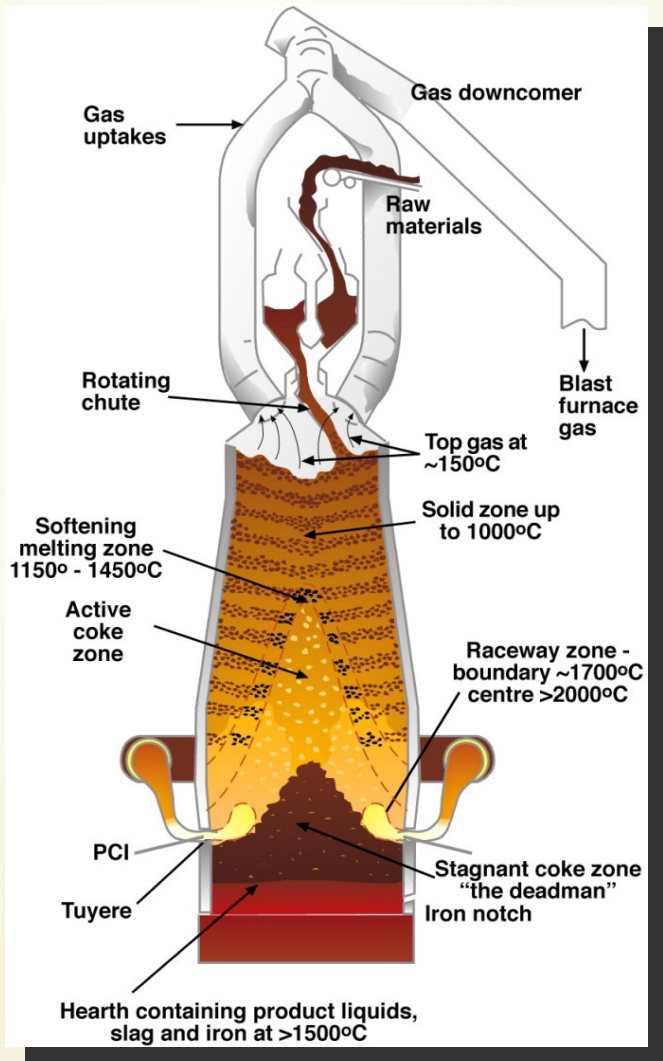
## Infrastructure Strategies

- Rail Haulage agreement with FMG/TPI
  - Heavy road haul mine to railhead
  - Rail haulage via TPI to Port Hedland
  - Port services via TPI Anderson Point
  - MoU July 2007 - The Pilbara Infrastructure (TPI)
  - Discussions on going
- Rail Access under WA State Agreement using contract haulage by a 3<sup>rd</sup> party rail company on TPI railway
  - Port Hedland Public User Berth 2010+
  - NWIOA Berths 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  $\text{Al}_2\text{O}_3$ ,  $\text{SiO}_2$  affect furnace efficiency
- High P affects the final 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 (how particles melt together)



## Why is NIOP ore so good?

### Chemical advantages

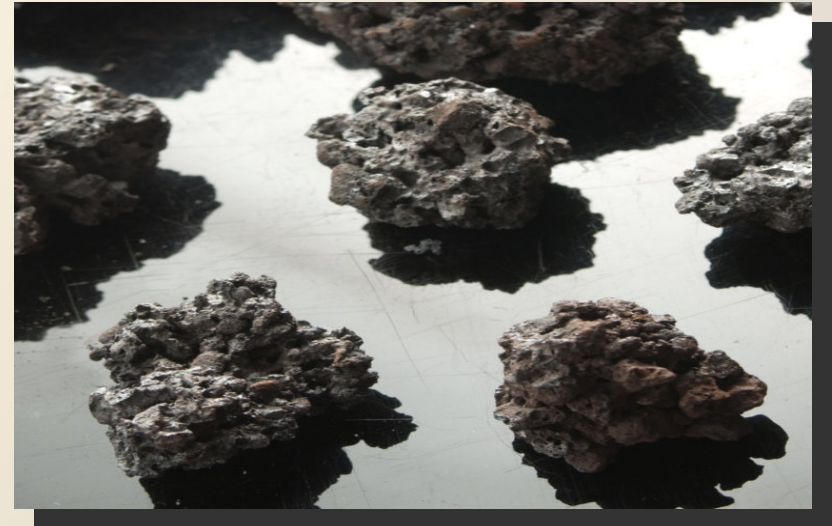
- “Ultra-low” Phosphorous (<0.02%)
- High Calcined Fe (>64%)

### Physical advantages

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

### Sintering advantages (Results from Shandong University, PRC)

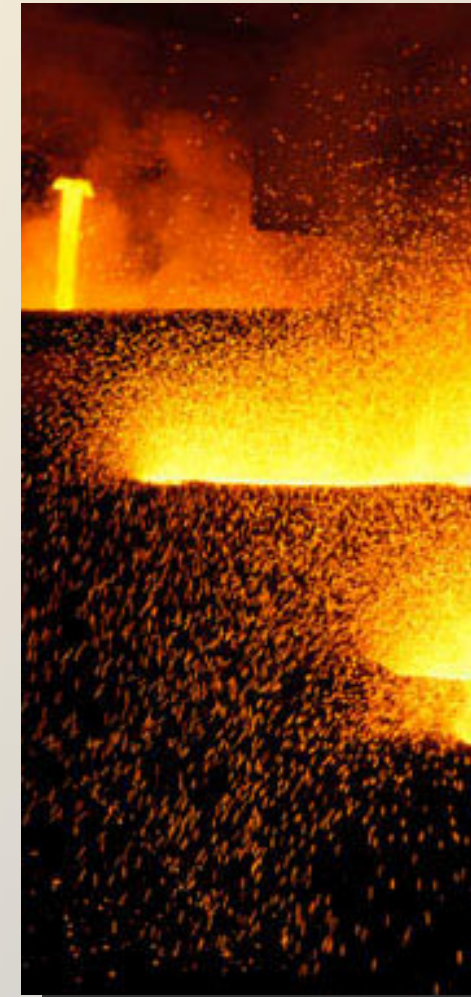
- Sintering efficiency up 10% (Yield increased from 66% up to 77%)
- Productivity up 40% (Increased from 1.05 to 1.48 t/m<sup>2</sup>/hr)
- Sinter strength improved (Tumble Index up from 64% to 68%)
- Considered a '**First Class**' sinter blend feedstock





## 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 targeted mills to deliver security from Mine to Mill

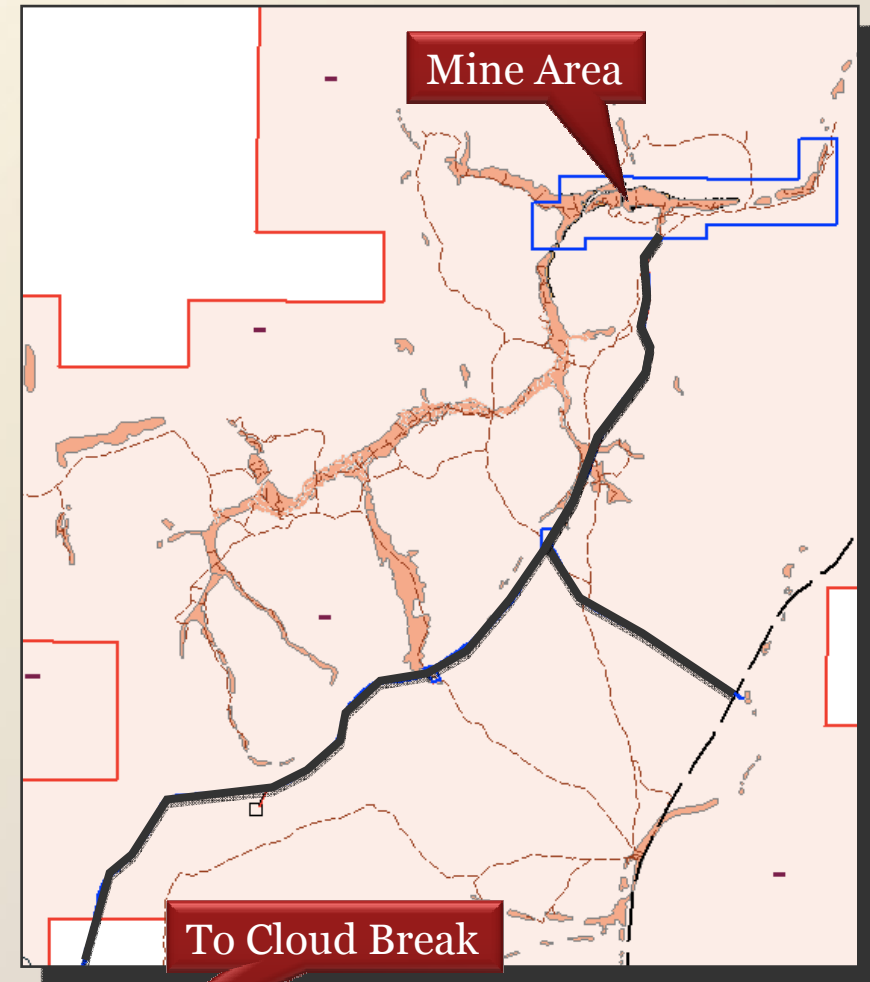




- Tenders received May 2009
- Feasibility Study Complete June 2009
- Mining Approvals & Agreements 3<sup>rd</sup> Qtr 2009
- Construction Commences 2<sup>nd</sup> Half 2009
- Production Start-up 1.5 Mtpa 1<sup>st</sup> Half 2010
- Production Ramp-up 3.0 Mtpa 2<sup>nd</sup> Half 2010

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      TPI for Haulage and Port Services
- Market      Offtake secure, *sought after sinter product*
- Community Benefit      >100 employees, local jobs, State 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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