


BC IRON
LIMITED

Nullagine Iron Ore Project
Broker and Journalists
Site Visit
September 2009

Tony Kiernan - Chairman
Mike Young – CEO and MD



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BC IRON LIMITED

www.bcion.com.au

History of BC Iron

- BC Iron lists on ASX in December 2006
- Resource drilling identifies DSO at Outcamp - May 2007
- MoU for rail and port access with Fortescue Metals Group - July 2007
- Drilling to Ore Reserves - 2007 through 2009
- Feasibility Study Complete - June 2009
- Capital raising \$22M – July 2009
- Joint Venture with FMG - rail haulage and port agreement – August 2009
- Production 1st half 2010 – ***Listing to mining in 3 ½ years***

Capital Structure		Number
Shares		80.3M
Options		5.7M
Fully Diluted Total		86.0M
Market Cap @ \$1.10		\$88 M
Cash on hand		\$22 M
Major Shareholders		
Major Shareholders	Number	% Total
Consolidated Minerals	18.2M	23%
Regent Pacific Group	10.2M	13%
Alkane Resources	5.0M	6%
TOTAL	33.4M	42%

Board
Tony Kiernan – Chairman
Mike Young – Managing Director
Garth Higgs – Non-exec Director
Terry Ransted – Non-exec Director
Steven Chadwick – Non-exec Director
Management
Morgan Ball – Chief Financial Officer
Simon Storm – Company Secretary
Blair Duncan – Chief Operations Officer
Greg Hudson – Chief Geologist
Paul Vermeulen – Technical Marketing

BC IRON LIMITED		NULLAGINE IRON ORE PROJECT
<ul style="list-style-type: none"> ➤ Channel iron deposit – Yandi style pisolite ➤ Direct Shipping, high-quality Sinter Blend Ore ➤ Joint venture between BC Iron Nullagine Pty Ltd (BCIN) and Chichester Metals Pty Ltd (FMG) ➤ Infrastructure – Rail and Port Haulage with TPI/FMG ➤ Marketing – Strong interest from Chinese mills for Nullagine Pisolite 		

BC IRON LIMITED **NULLAGINE IRON ORE PROJECT**

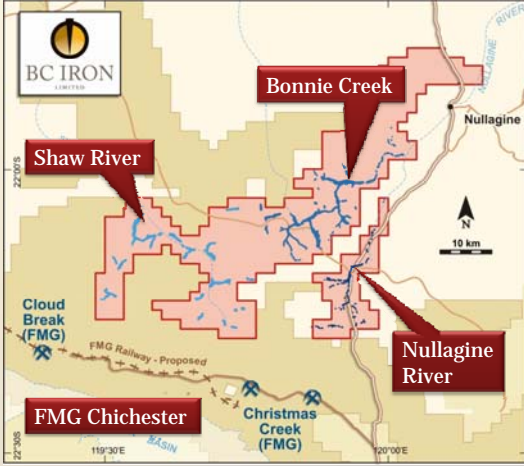
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Bonnie Creek CID

- Reserves of 36 Mt @ 57% Fe
- Resources of 51 Mt DSO @ 57.0% Fe
- High CaFe, low Al₂O₃ & ultra-low P
- Mesa-style mineralisation

Nullagine River & Shaw River CID

- DSO & upgrade CID (~15 Mt)



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BC IRON LIMITED **JOINT VENTURE & INFRASTRUCTURE**

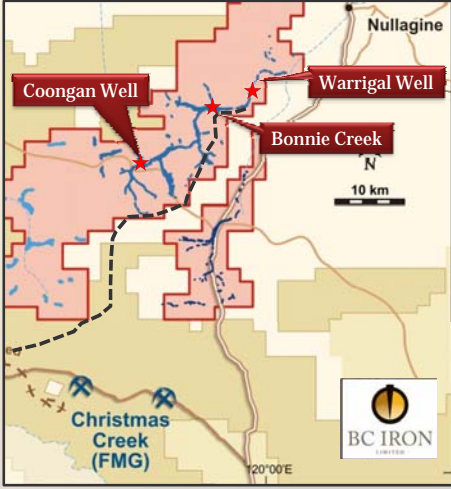
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Nullagine Joint Venture

- BC Iron & Chichester Metals - 50:50 unincorporated JV
- Up to \$10m contribution each – remainder project finance
- BCI manages JV – mining, sales, marketing
- TPI manages rail haulage and port services
- Price participation on sales over US\$60/t up to 3 Mtpa

Infrastructure

- Heavy road haul to railhead (BCI)
- Rail haulage and port services (TPI)



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June 2009 – Reserves and Resources Statement								
Probable Ore Reserves								
Pit	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Outcamp	19.2	56.8	64.8	3.21	1.92	0.01	0.01	12.2
Warrigal	10.3	57.0	64.5	3.67	2.13	0.02	0.01	11.7
Coongan	6.0	57.0	65.1	2.52	1.82	0.01	0.01	12.4
TOTAL	35.6	56.9	64.7	3.23	1.96	0.02	0.01	12.1
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	50.7	57.0	64.8	3.19	2.07	0.015	0.011	12.0
<ul style="list-style-type: none"> • The Ore Reserve is a subset of the Resource Estimate • CaFe = Fe / (100 - LOI) * 100 • Total for Joint Venture – (FMG earning 50%) 								

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Element	Nullagine DSO Reserve	Yandi/Robe DSO	Pilbara Fines DSO	
Fe	57	57 – 58.5	58 - 64	
Calcined Fe*	65	64	63-65	
SiO ₂	3.2	3 – 6	3 – 4	
Al ₂ O ₃	1.9	1.4 – 2.7	1.3 – 2.1	
P	<0.02	~0.04	0.05 – 0.09	
LOI	12	9-11	3-8	
Size -0.15mm	14	5-20	10-30	
Direct Shipping Ore (DSO)				
<ul style="list-style-type: none"> > Typically bedded hematite or pisolitic channel iron deposits > No beneficiation required – simple mining, crushing and screening, and transport > At or close to accepted specifications 				

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OUTCAMP MINE – Trial mining and bulk sample


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Trial mine and bulk sample

- Testing performance of two types of surface miners
- Assess geology, reconciliation and metallurgy
- Assessing mill throughput and product sizing

Contractors

- UEA - Vermeer surface miner
- WA Surface Mining – Wirtgen SM
- Rapids Crushing – crushing, screening and earthmoving
- Vulcan Tech and SGS - metallurgy
- Golder Assoc – mine geology and sampling



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TRIAL MINE - Assessment

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Surface Miners

- Wirtgen versus Vermeer
- Production rates
- Cutting depths, speed, and bit wear

Geology

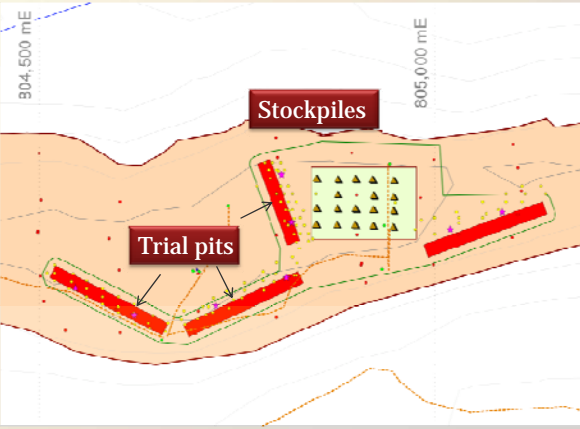
- Assess geology and ore morphology
- Assaying and reconciliation
- *in situ* bulk density

Metallurgical testing


- ROM sizing
- Product sizing
- Moisture

Crushing and screening

- Trimming & stockpiling
- Productivity




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SURFACE MINERS

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VERMEER TL1255 commences at Outcamp Well - NIOJV

Environmental benefits

- Improved and safer mesa edge control
- Drainage management – siltation minimised
- Reduced vibration and ecosystem disturbance


Engineering benefits

- Selective mining – higher recovery
- Lower dilution and lower ore loss
- Drill & blast *not required*
- Primary crushing *not required*



Wirtgen 2500SM commences at Outcamp Well - NIOJV

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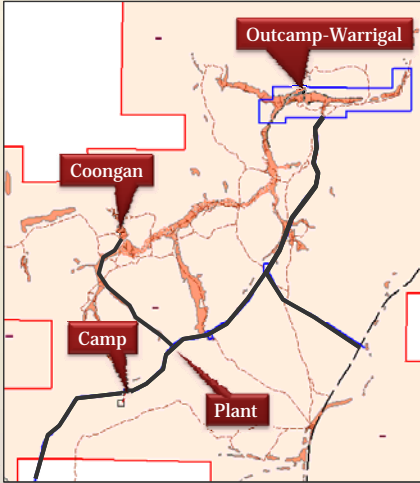
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CONCEPTUAL TIMETABLE

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- Feasibility Study Complete June 2009
- Test Pit Bulk Sample 3rd Qtr 2009
- Mining Approvals & Agreements 4th 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
Approvals			
TP			
Construction			
1.5 Mtpa			
3 Mt			



Timetable conceptual only and dependant on mining approvals

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SUPPORTING STATEMENT

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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 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. 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.

The information that relates to the Ore Reserves is based on information compiled by Mr Blair Duncan who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of BC Iron Limited and by Mr Pieter Doelman who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. Both Mr Duncan and Mr Doelman 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 Duncan and Mr Doelman consent to the inclusion in their names in the matters based on their information in the form and context in which it appears

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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