



BC Iron Limited

Annual General Meeting
November, 2009

Mike Young
Chief Executive Office

History of BC Iron – staying focussed

- BC Iron lists on Australian Securities Exchange (ASX) in December 2006
- Resource drilling identifies iron ore at Nullagine - May 2007
- Memorandum of understanding with Fortescue Metals Group - July 2007
- Drilling to Feasibility Study & Ore Reserves - 2007 through 2009
- Capital raising \$22M – July 2009
- Joint Venture with FMG - rail haulage and port agreement – August 2009
- Project finance and offtake deal with Hong Kong Industrial Co. – November 2009
- ***Production planned in 2010 – Listing to mining in under 4 years***

The year in review

- Updated Resource Estimate – 50.7Mt @ 57% Fe – increase of 82%
- Maiden Ore Reserves – 36Mt @ 57%
- Feasibility Study Complete - June 2009
- Capital raising \$22M – July 2009
- Joint Venture & rail haulage and port agreement with FMG – August 2009
- Project finance and offtake – November 2009
- Company growth – COO, CFO, Chief Geo, Sustainability Mgr and new offices

Capital Structure

	Number
Shares	80.8M
Options	6.1M

Fully Diluted Total	86.9M
Market Cap @ \$1.15	\$100 M

Cash on hand **\$19 M**

Major Shareholders	Number	% Total
Consolidated Minerals	18.2M	23%
Regent Pacific Group	12.2M	15%
Alkane Resources	5.0M	6%
TOTAL	35.4M	44%

Board

Tony Kiernan – Chairman

Mike Young – Managing Director

Garth Higgs – Non-exec Director

Terry Ransted – Non-exec Director

Steven Chadwick – Non-exec Director

Management

Blair Duncan – Chief Operations Officer

Morgan Ball – CFO and Company Sec

Greg Hudson – Chief Geologist

Gerry Bradley – Sustainable Development

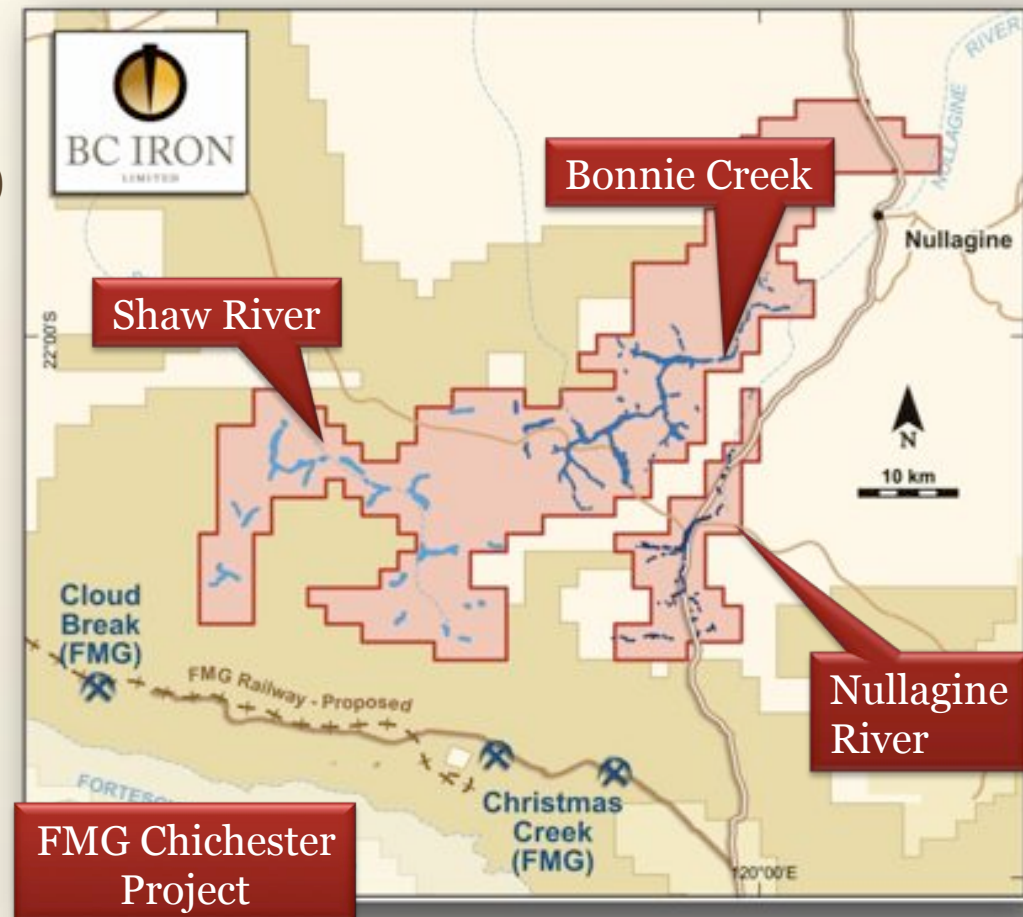
Nullagine Iron Ore Project

- Joint venture with FMG
- High quality, direct shipping iron ore deposit
- Simple surface mining with low waste to ore
- 3 to 5 Mt annual production
- In-pit secondary crushing
- Port and rail access secured
- Offtake and project financing



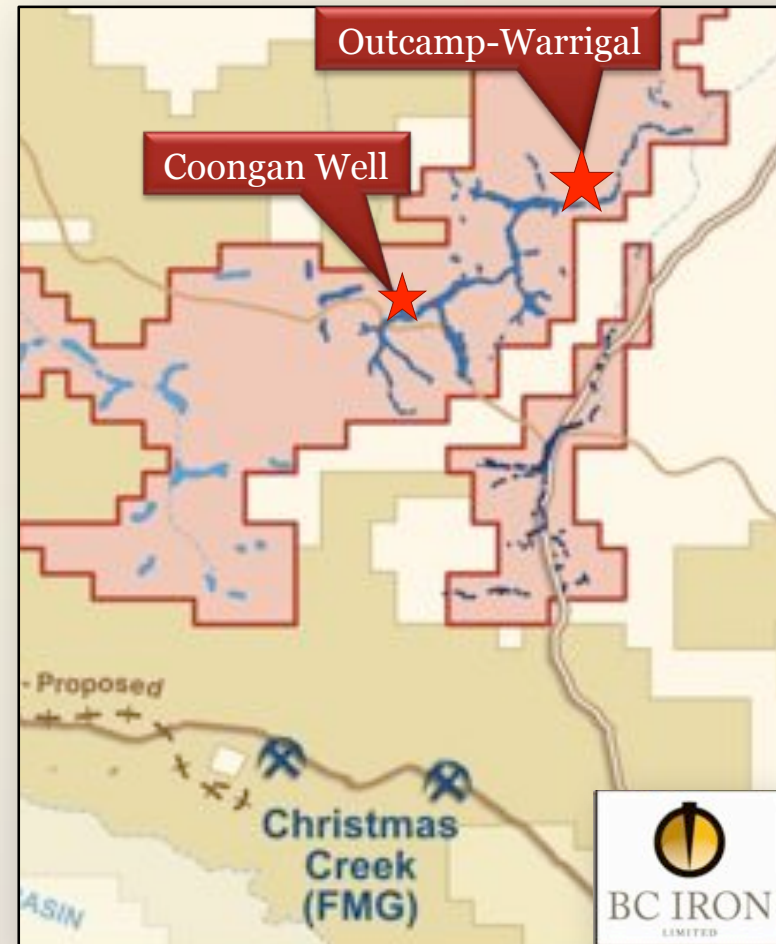
Nullagine Project Parameters

- Ore Reserves 36Mt 57% Fe (65% CaFe)
- Start-up 3 Mtpa, ramp-up 5 Mtpa
- US\$50m prepayments for 20 Mt offtake over 8.5 years
- CapEx A\$43M & W/Cap \$17M
- OpEx ~\$A43/tonne over LOM



Nullagine Joint Venture Milestones

- Dec to March 2010 – Award contracts
- April 2010 – Haul road construction begins
- May 2010 – Village & mine centre construction begins
- August 2010 – Mining begins
- September 2010 – Project stockpile construction begins
- October 2010 – Road haulage begins
- November 2010 – First shipment stockpile prepared at the project stockpile
- December 2010 – First Rail & Ship



Milestones are dependant on weather, mining and Native Title approvals

FMG Christmas Creek Rail Extension

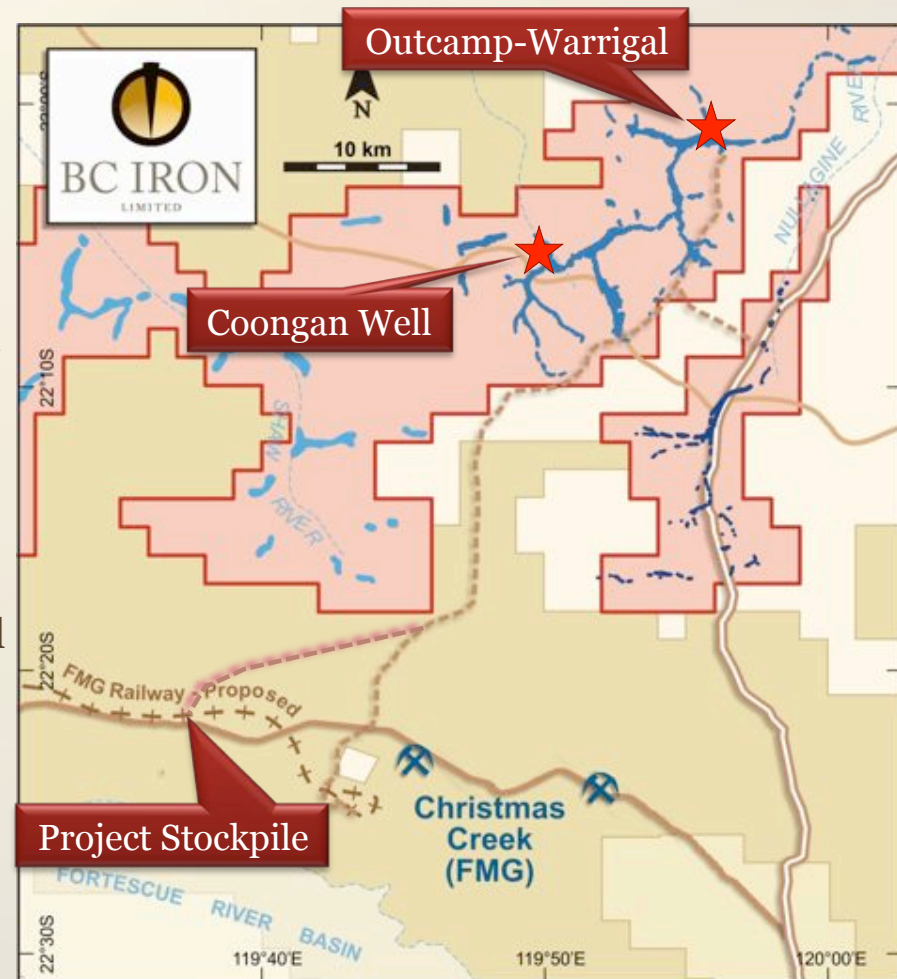
- Rail extension Cloudbreak to Christmas Creek brought forward into 2009

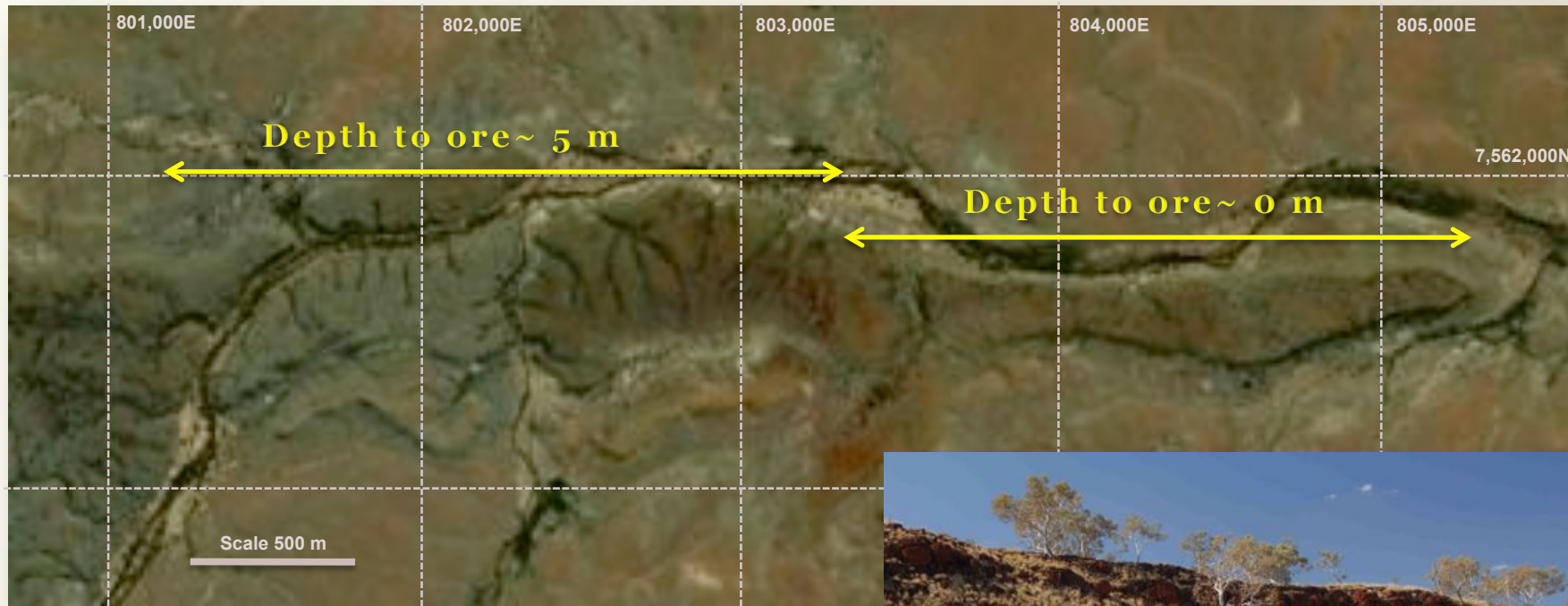
Original Feasibility Base Case

- Start-up at 1.5 Mtpa with trucking to Cloudbreak – 110 km
- Use of public roads and road trains

FMG Rail and Revised Start Up

- Start-up at 3 Mtpa with trucking to Kennedy Rail Alignment Project Stockpile – 55 km
- Use dedicated private haul road to Project Stockpile
- Provides independent road and rail loading operations
- Revised timetable late 2010 but higher tonnes



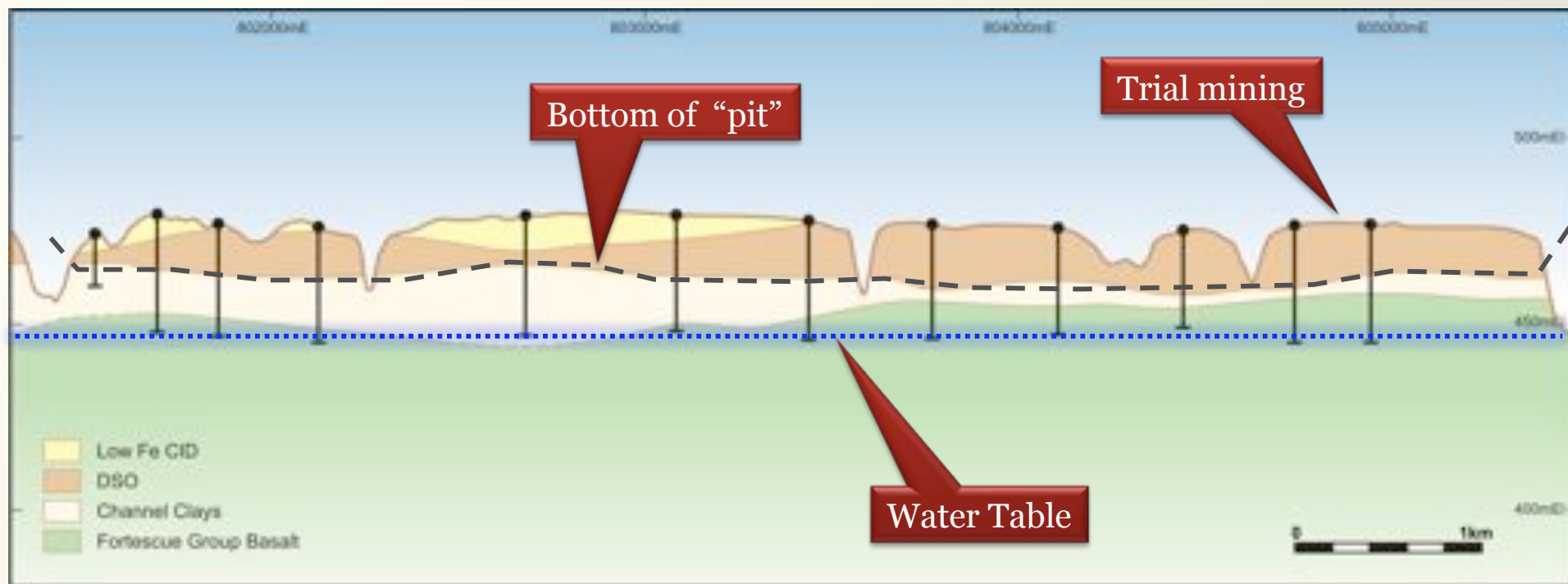


Outcamp Deposit

- Outcropping mesa –style
- Low waste to ore ratio
- Above water table
- No pit – mining off the top



Ore outcrop Outcamp



- 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

Trial mining confirmed:

- Applicability of surface miners to Nullagine's ore
- Predicted tonnes and grades from the Ore Reserve model
- Predicted production rates
- Simple crushing and screening requirements and the circuit flowsheet

Results will be used to secure better commercial outcomes than forecast in the Feasibility





VERMEER TL1255 commences at Outcamp Well - NIOJV

Engineering benefits

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

Environmental benefits

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



Wirtgen 2500SM commences at Outcamp Well - NIOJV



Wirtgen 2500 at Outcamp Well





Cut ore requires no primary crushing





*Simple secondary screening
and crushing circuit*





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*Nullagine ore stockpile at
Outcamp Trial mine*

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

- The Ore Reserve is a subset of the Resource Estimate
- $CaFe = Fe / (100 - LOI) * 100$
- Total for Joint Venture – (FMG earning 50%)

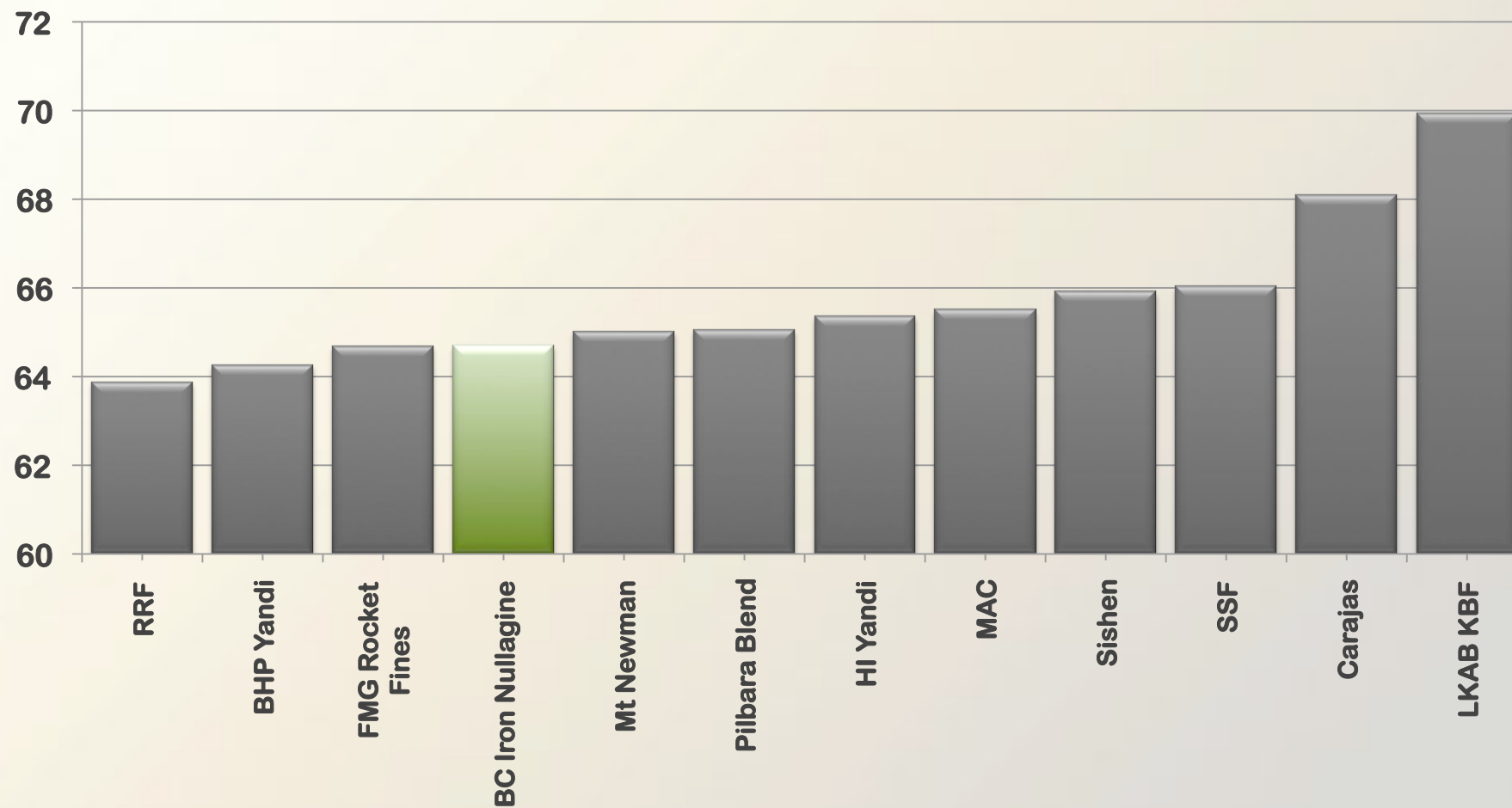
Element	Nullagine DSO Reserve	Yandi/Robe DSO	Pilbara Fines DSO
Fe	57	57 – 58.5	58 - 64
Calcined Fe*	65	64	63-65
SiO ₂	3.2	3 – 6	3 – 4
Al ₂ O ₃	1.9	1.4 – 2.7	1.3 – 2.1
P	<0.02	~0.04	0.05 – 0.09
LOI	12	9-11	3-8
Size -0.15mm	14	5-20	10-30

Direct Shipping Ore (DSO)

- Typically bedded hematite or pisolitic channel iron deposits
- No beneficiation required – simple mining, crushing and screening, and transport
- At or close to accepted specifications

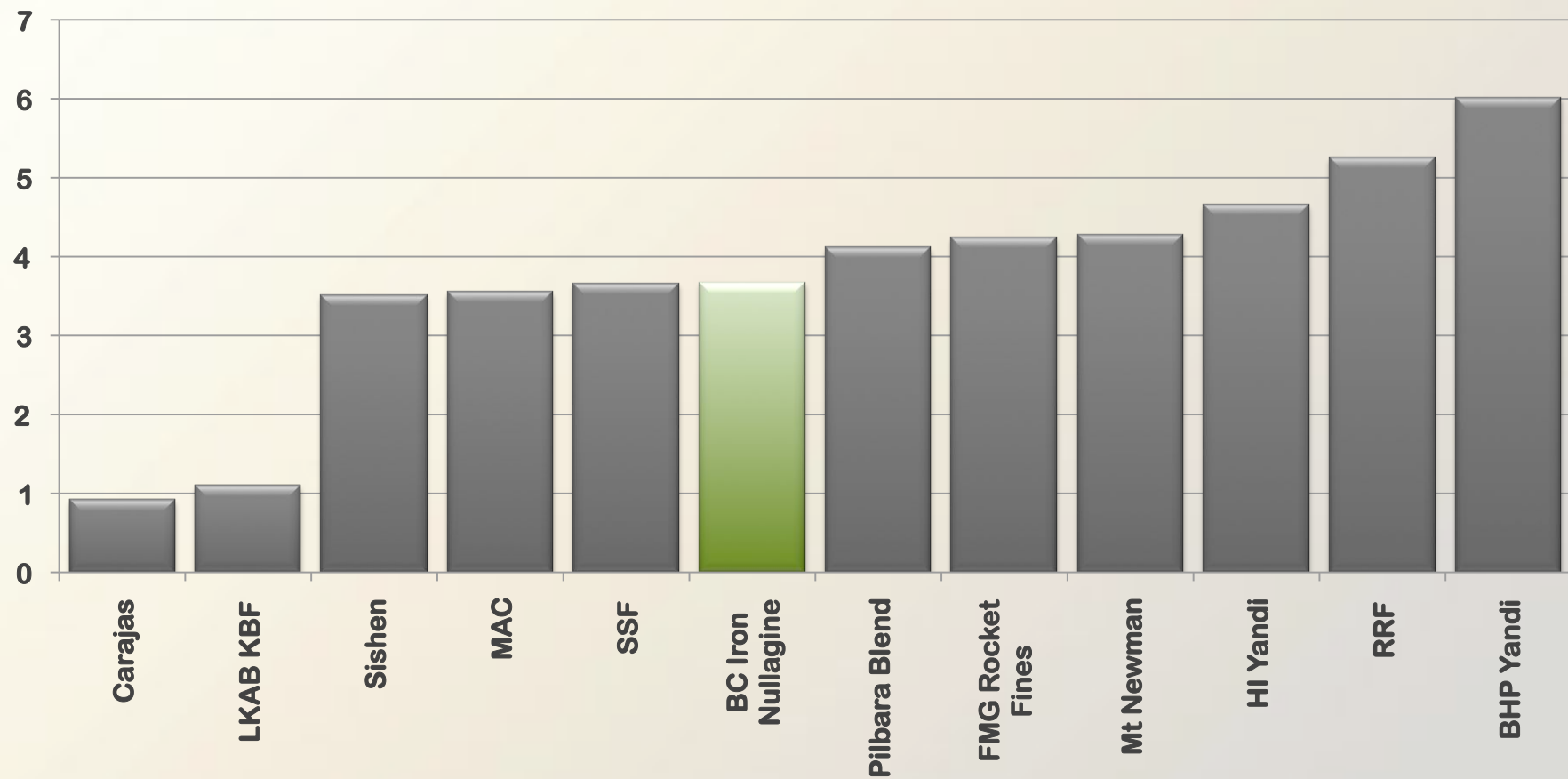


Calcined Fe



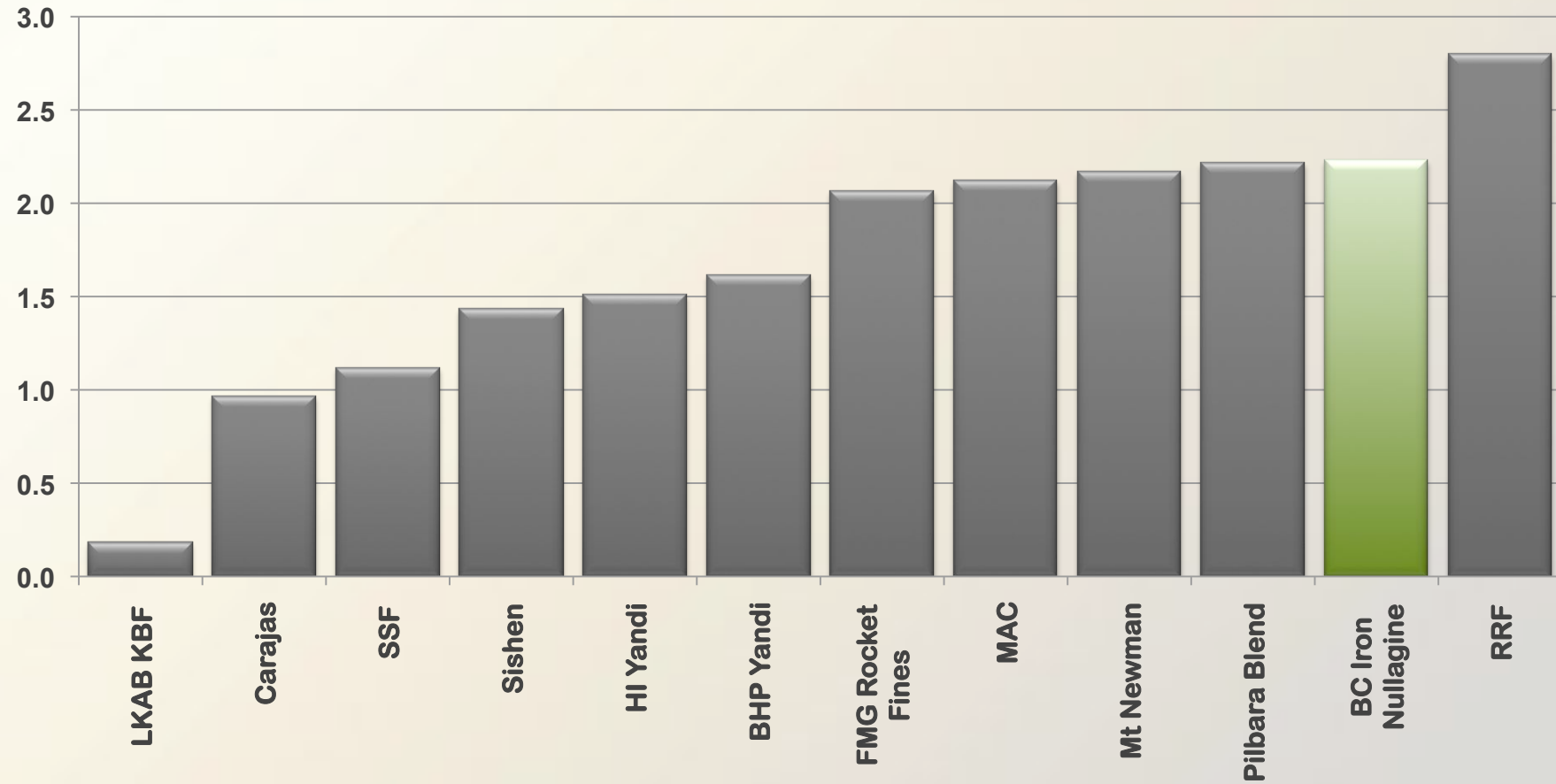


Calcined SiO₂



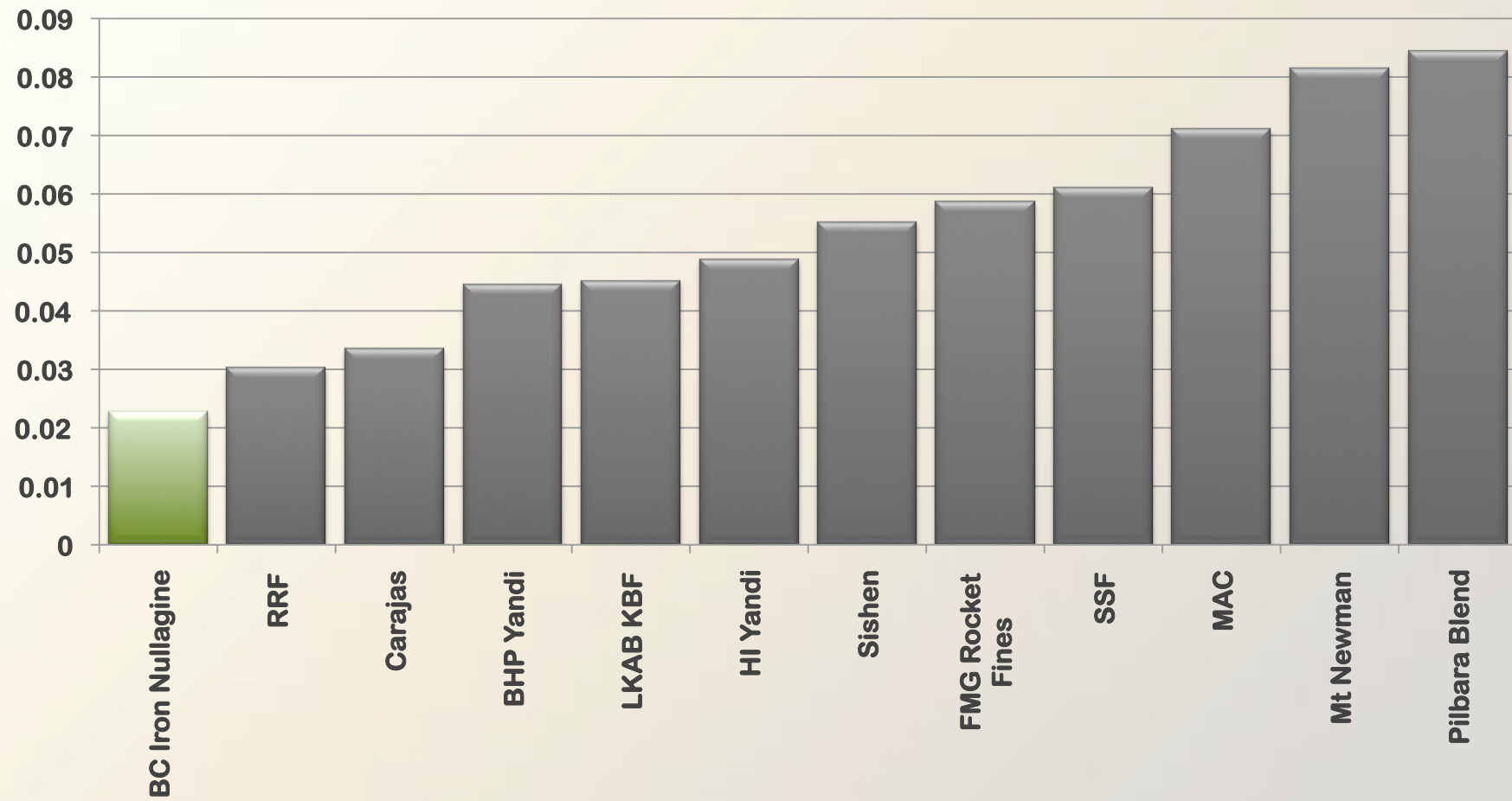


Calcined Al_2O_3





Calcined P



Why is NIOJV 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/m²/hr)
- Sinter strength improved (Tumble Index up from 64% to 68%)
- Considered a '**First Class**' sinter blend feedstock



Ignition hood on sinter strand

To be a successful iron ore mining company.....

- Quality resources
- Port and rail infrastructure
- Off take agreement
- Project financing
- Good management and
- A great team



“....ticking all the boxes!”

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

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