BC Iron Limited

Company Update
February 2010

Mike Young CEO

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
- US$50m Project finance and offtake deal with Henghou Industries (Hong Kong) Limited – November 2009
- ***Production planned in 2010 – Listing to mining in under 4 years***

BC IRON - CAPITAL & MANAGEMENT

Capital Structure	Number
Shares	83.9M
Options	11.7M
Fully Diluted Total	**95.6M**
Market Cap @ $1.20 (diluted)	**$115 M**
Cash (including share of JV funds)	**$36 M**

Major Shareholders	Number	% Total
Consolidated Minerals	18.2M	22%
Regent Pacific Group	13.6M	16%
Alkane Resources	5.0M	6%
BCI Directors	4.3M	5%
TOTAL	**41.1M**	**49%**

Board

Tony Kiernan – Chairman

Mike Young – Managing Director

Garth Higgo – 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

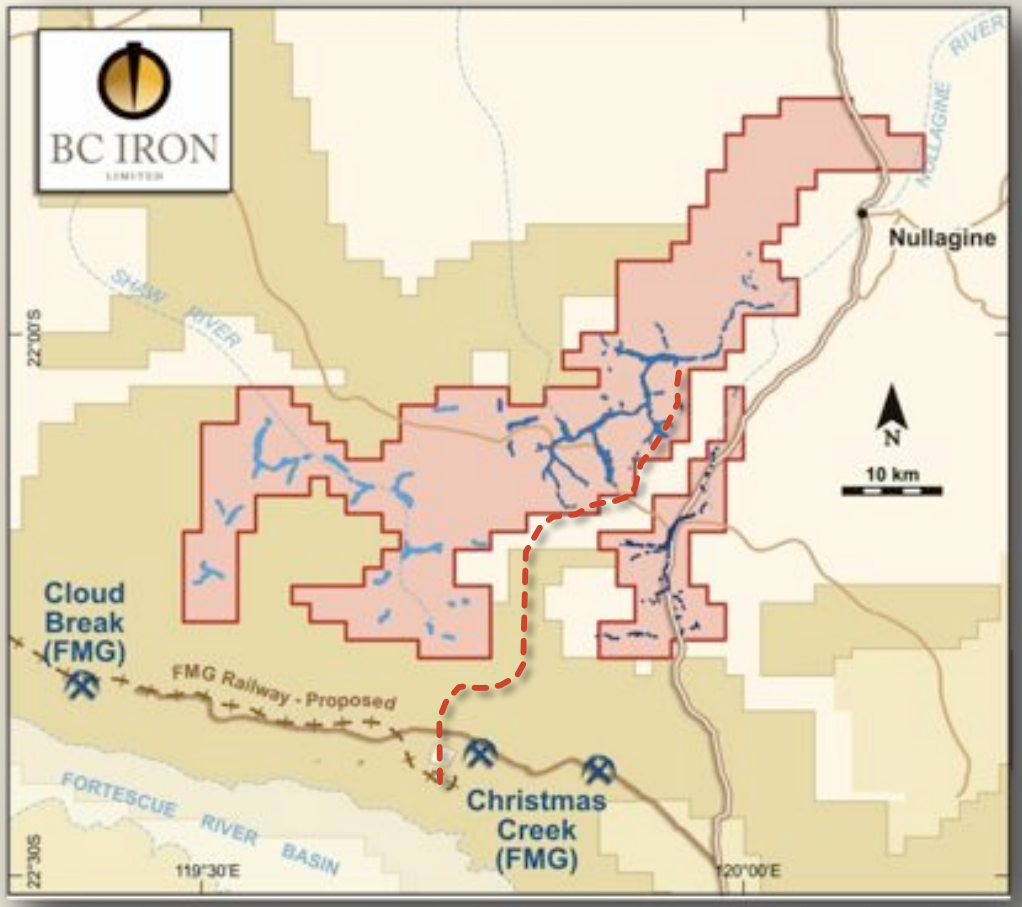
Gerry Bradley – Sustainable Development

Nullagine Iron Ore Project

- Joint venture with FMG
- High quality, direct shipping iron ore deposit
- Production starts late 2010
- 3 to 5 Mt annual production
- Port and rail access secured
- Offtake and project financing
- US$50m prepayments for 20 Mt offtake over 8.5 years

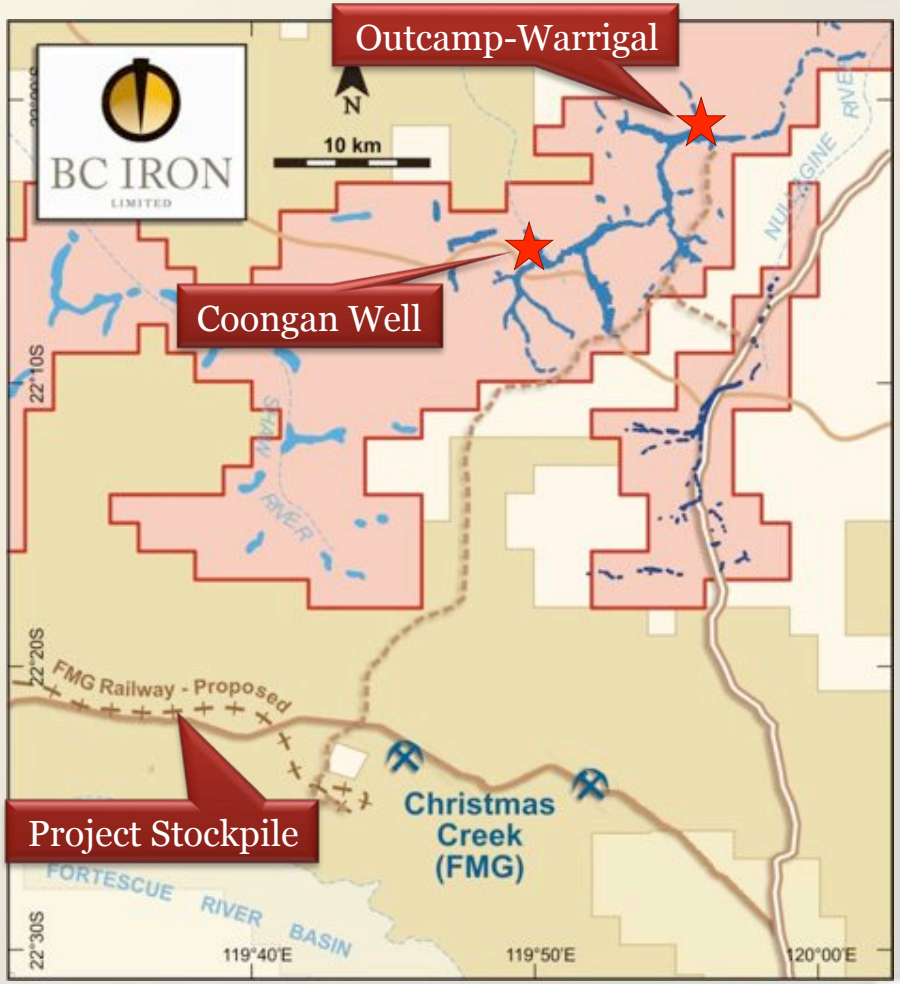
Nullagine Joint Venture Parameters

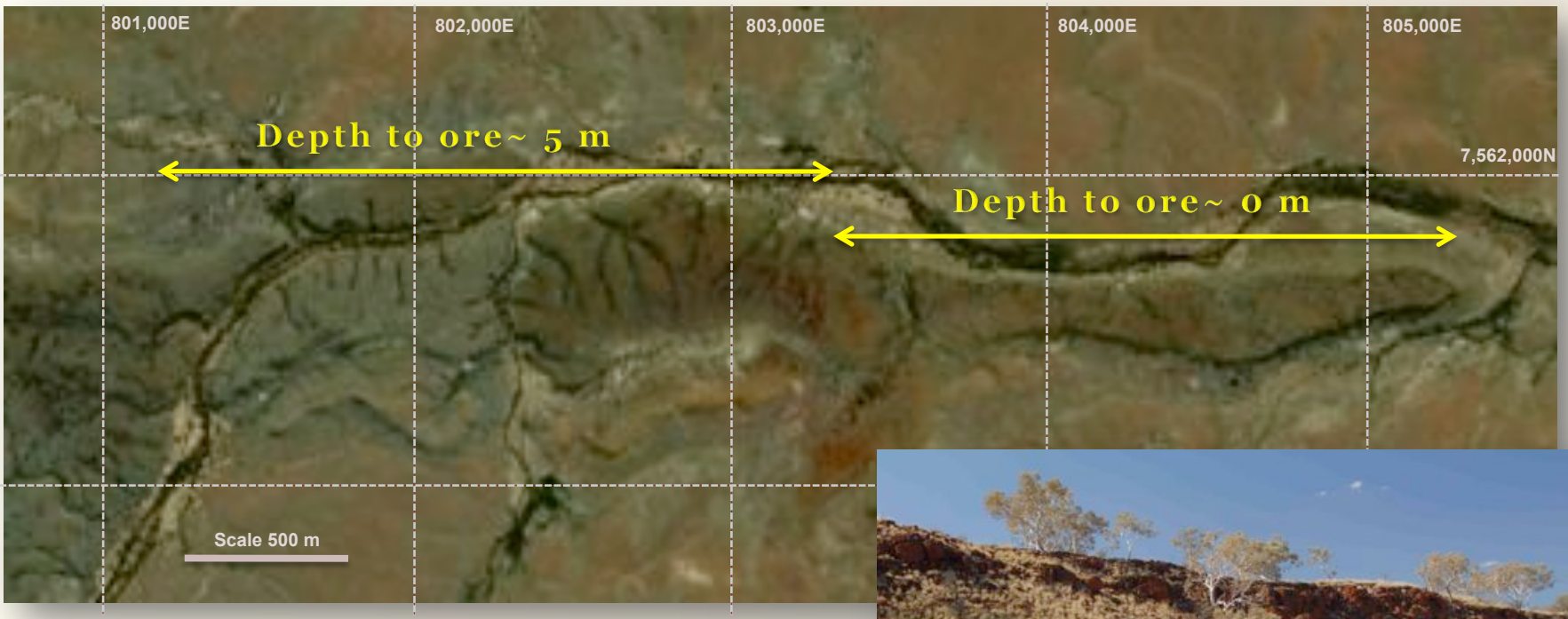
- Ore Reserves 36Mt 57% Fe (65% CaFe)
- Simple mining with low waste to ore
- Start-up 3 Mtpa with simple in-pit crushing and screening
- Ramp-up 5 Mtpa with fixed plant crushing and screening
- CapEx A$51.5M & Working Cap $17M
- OpEx ~$A43/tonne over LOM



Nullagine Joint Venture Milestones

- Dec to May 2010 – Approval & contracts
- January 2010 – Camp contract awarded
- April 2010 – Exploration camp construction begins
- May 2010 – Haul road – mine centre construction begins
- **August 2010 – Mining begins**
- September 2010 – Project stockpile construction begins
- October 2010 – Road haulage begins
- **December 2010 – First Rail & Ship**



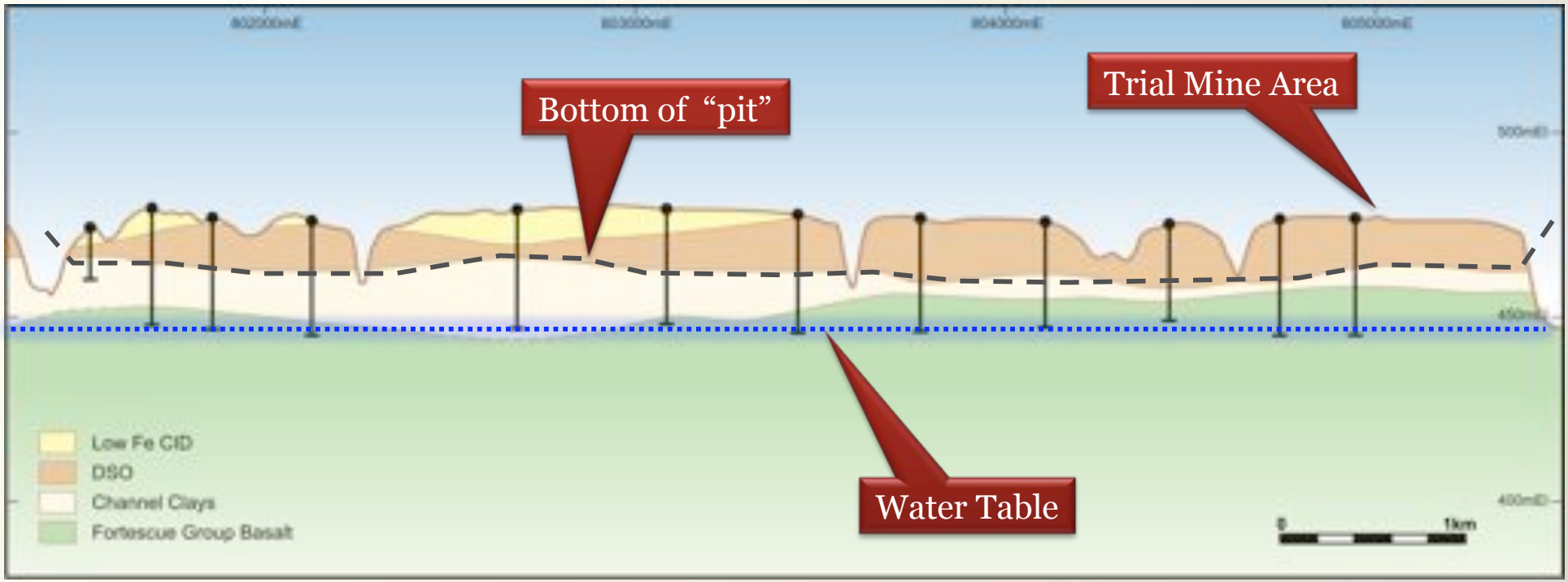


Outcamp-Warrigal Deposit

- Outcropping mesa –style
- Low waste to ore ratio – 1:1 life-of-mine
- Above water table
- No pit – mining off the top

Ore outcrop Outcamp

NULLAGINE JV – Outcamp Prospect

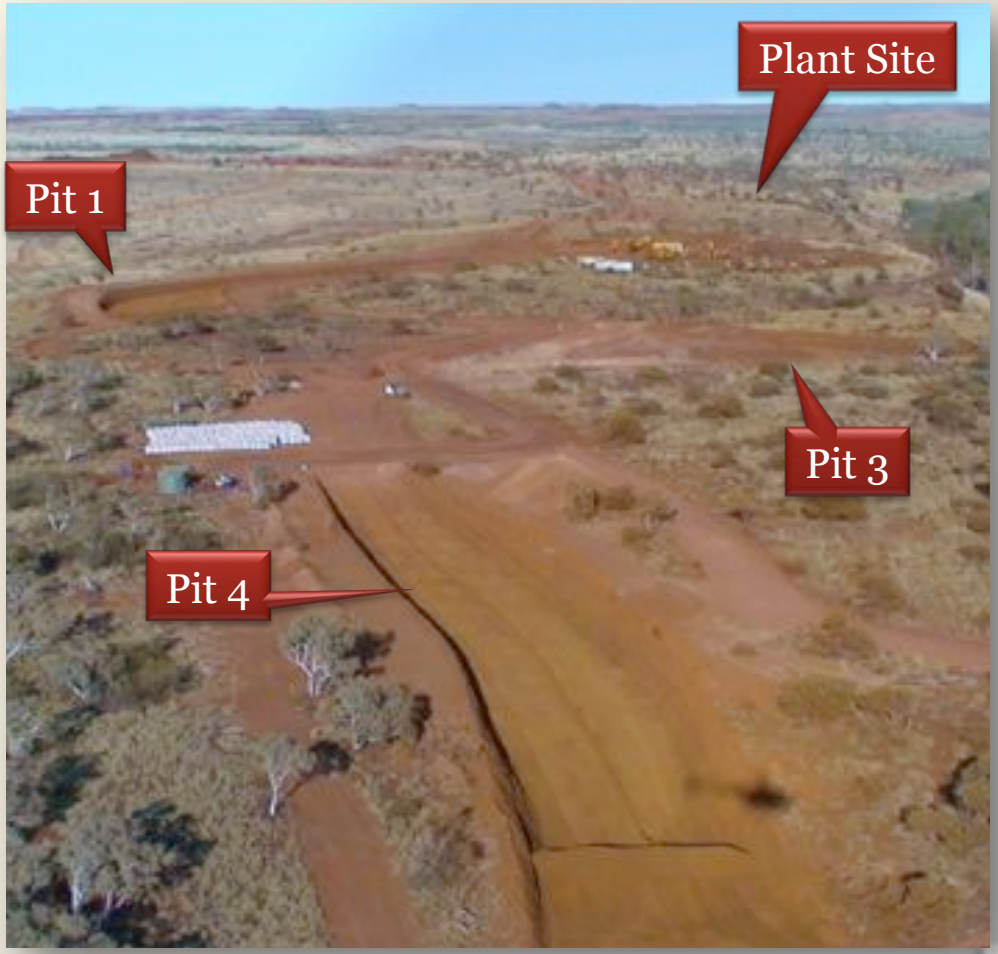


- Shallow "pits" mainly above surrounding plains - mining ore from day 1
- Above water table - lower environmental impact
- Low OpEx - low strip ratio, use of surface miners, efficient crushing and screening

Trial mine findings:

- Surface miners are confirmed as suitable to mine Nullagine ore
- Production rates achieve better than Feasibility estimates
- Actual tonnes and grade **113%** of the predicted model
- Simple crushing and screening requirements – over 50% of ROM material passing -10mm

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



TEST PIT RECONCILLIATION

Planned Final Product

Costean	tonne	Fe%	Al_2O_3%	SiO_2%	P%	S%	LOI_{1000}
Costean 1	26,970	56.9	2.1	4.1	0.02	0.02	11.9
Costean 3	8,355	58.5	1.4	3.7	0.02	0.01	10.8
Costean 4	20,667	56.9	2.1	4.5	0.02	0.02	11.6
TOTAL	**55,992**	**57.1**	**2.0**	**4.2**	**0.02**	**0.01**	**11.6**

Mined Final Product

Costean	tonne	Fe%	Al_2O_3%	SiO_2%	P%	S%	LOI_{1000}
Costean 1	32,681	57.5	2.0	4.5	0.02	0.02	10.8
Costean 3	8,934	57.4	1.9	5.0	0.03	0.02	10.1
Costean 4	21,137	57.8	1.6	4.4	0.02	0.02	10.7
TOTAL	**62,752**	**57.6**	**1.8**	**4.6**	**0.02**	**0.02**	**10.7**

- Planned final product calculated by intersecting final pit surveys with Ore Reserve model as released to the ASX July 3, 2009
- Costean 1 was extended to include designed Costean 2

Wirtgen 2500 at Outcamp Well

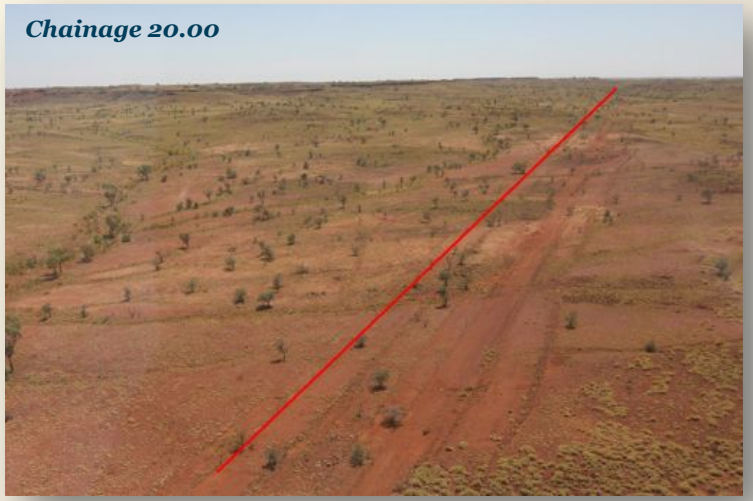
Vermeer Terrain Leveller

Cut ore requires no primary crushing

Nullagine ore stockpile at Outcamp Trial mine

CONSTRUCTION

Exploration camp units under construction



Haul road route aerial survey

June 2009 – Reserves and Resources Statement

Probable Ore Reserves

Pit	Mt	Fe%	CaFe%	SiO_2%	Al_2O_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_2O_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*

PILBARA IRON ORE FINES

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_2O_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	<10%	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

OUTSTANING SINTER QUALITY

Chemical advantages

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

Physical advantages

- Low ultra-fines – improves sinter speed

Ignition hood on sinter strand

Sintering advantages (Results from Shandong University, PRC)

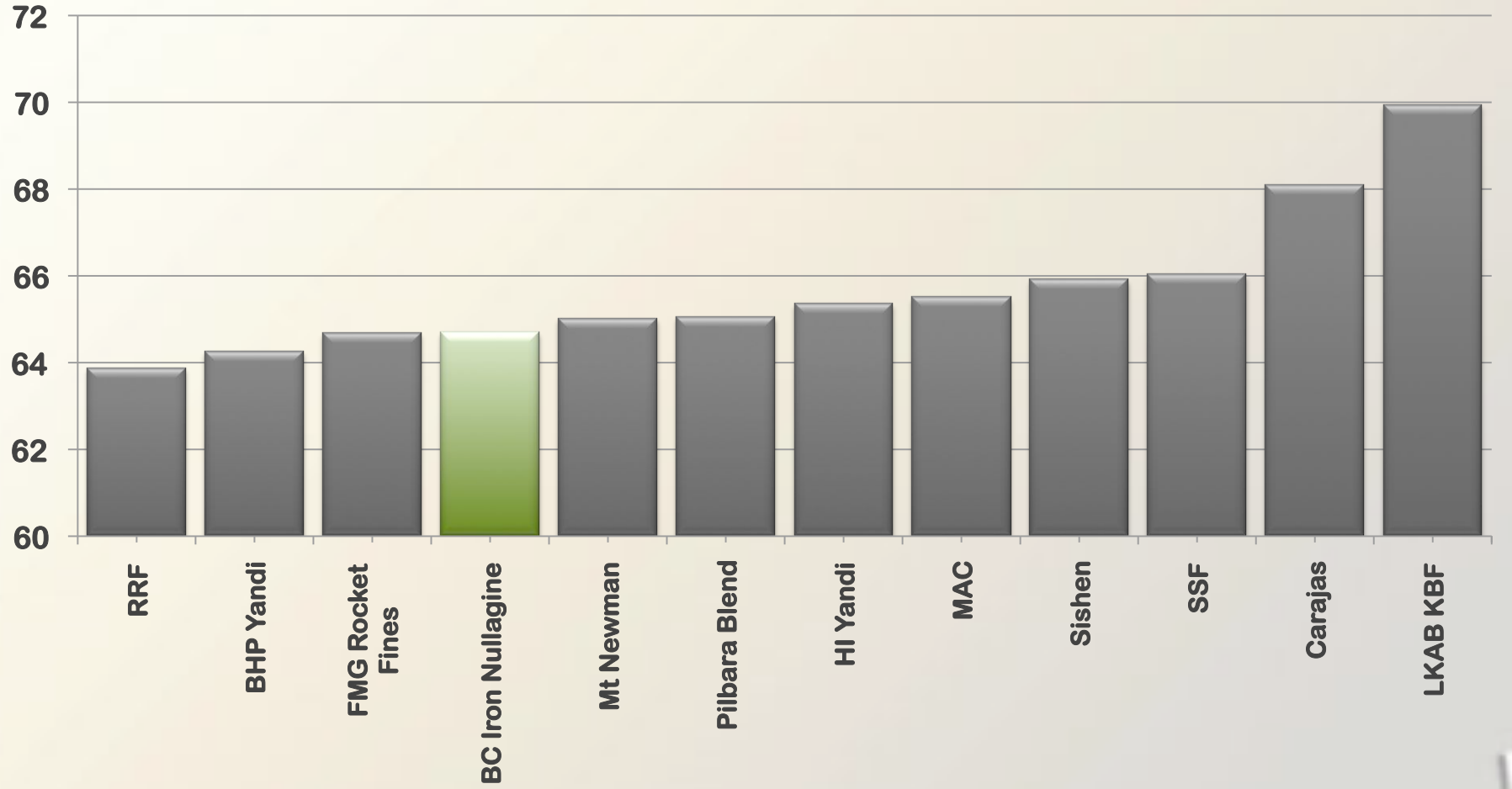
- Sintering efficiency and productivity increased 10% to 40%
- Considered a '***First Grade***' sinter blend feedstock

Marketing advantages of Nullagine pisolite ore

- China prefers West Australian hematite and pisolite ores over all others
- 40% of WA's exported iron ore is pisolite ore (Robe R, Yandi)
- Asian markets recognise benefits of pisolite ore and value in use

BC IRON

SEABORNE FINES COMPARISON



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SEABORNE FINES COMPARISON

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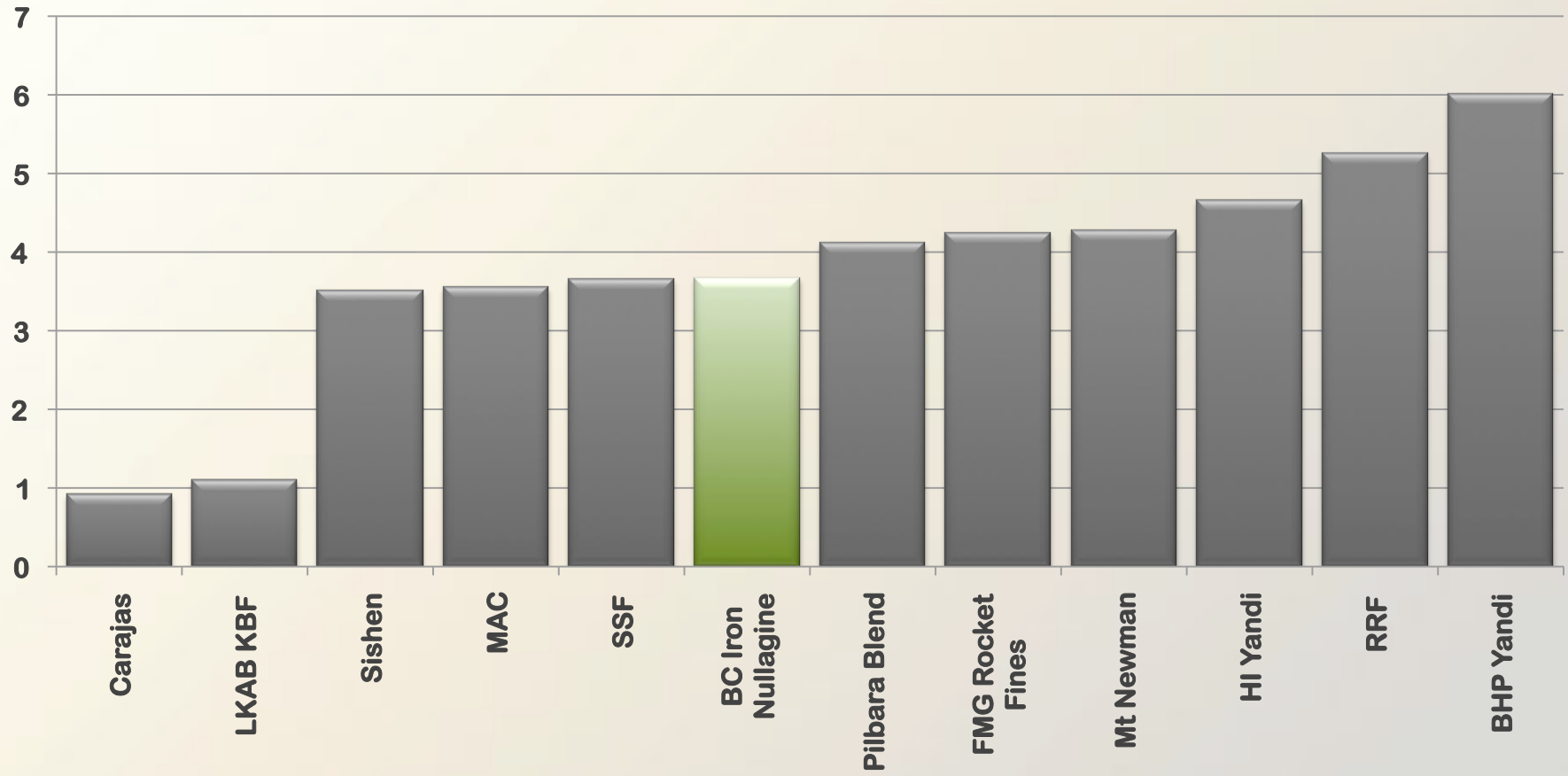
Calcined SiO_2



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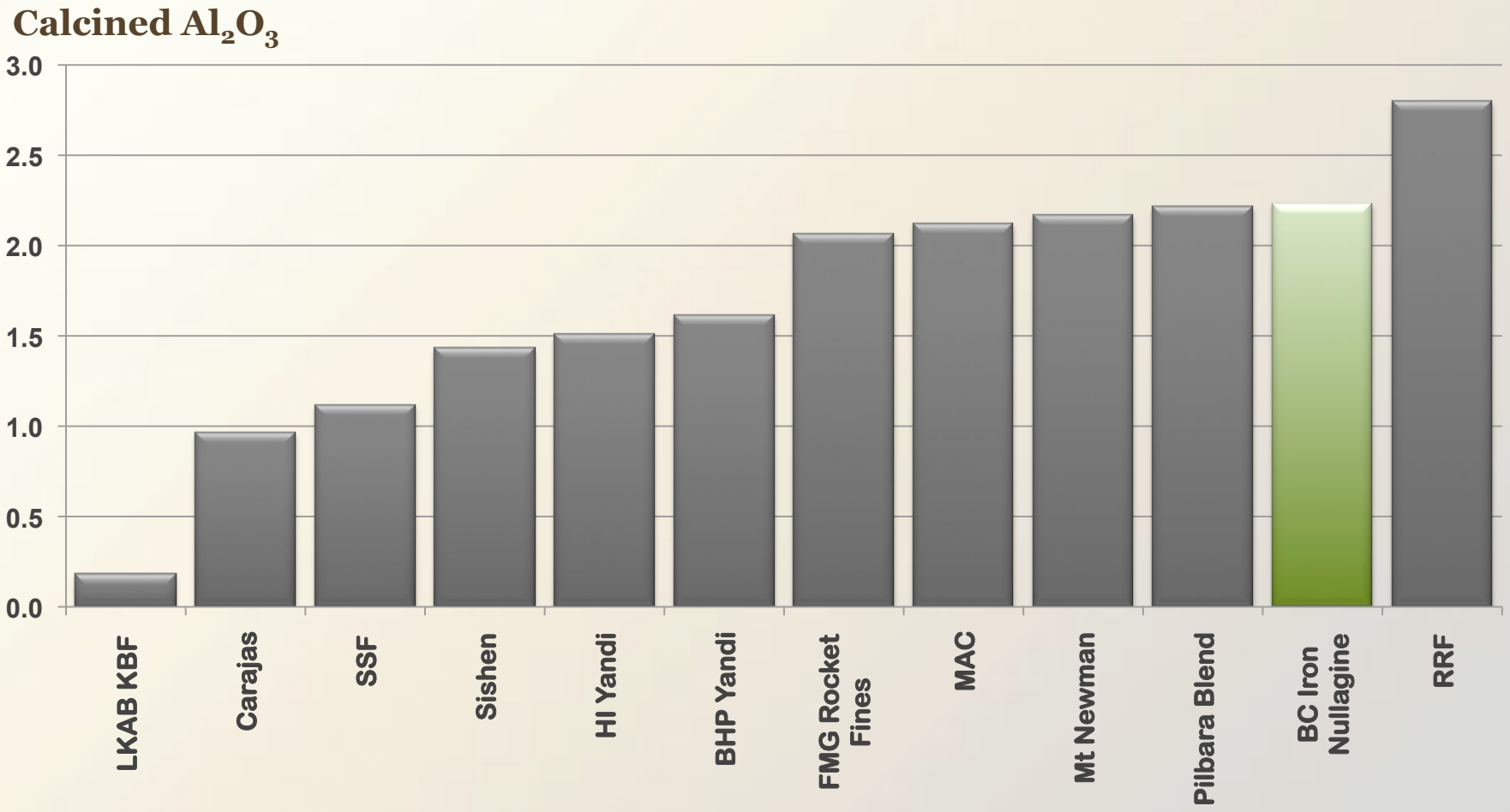

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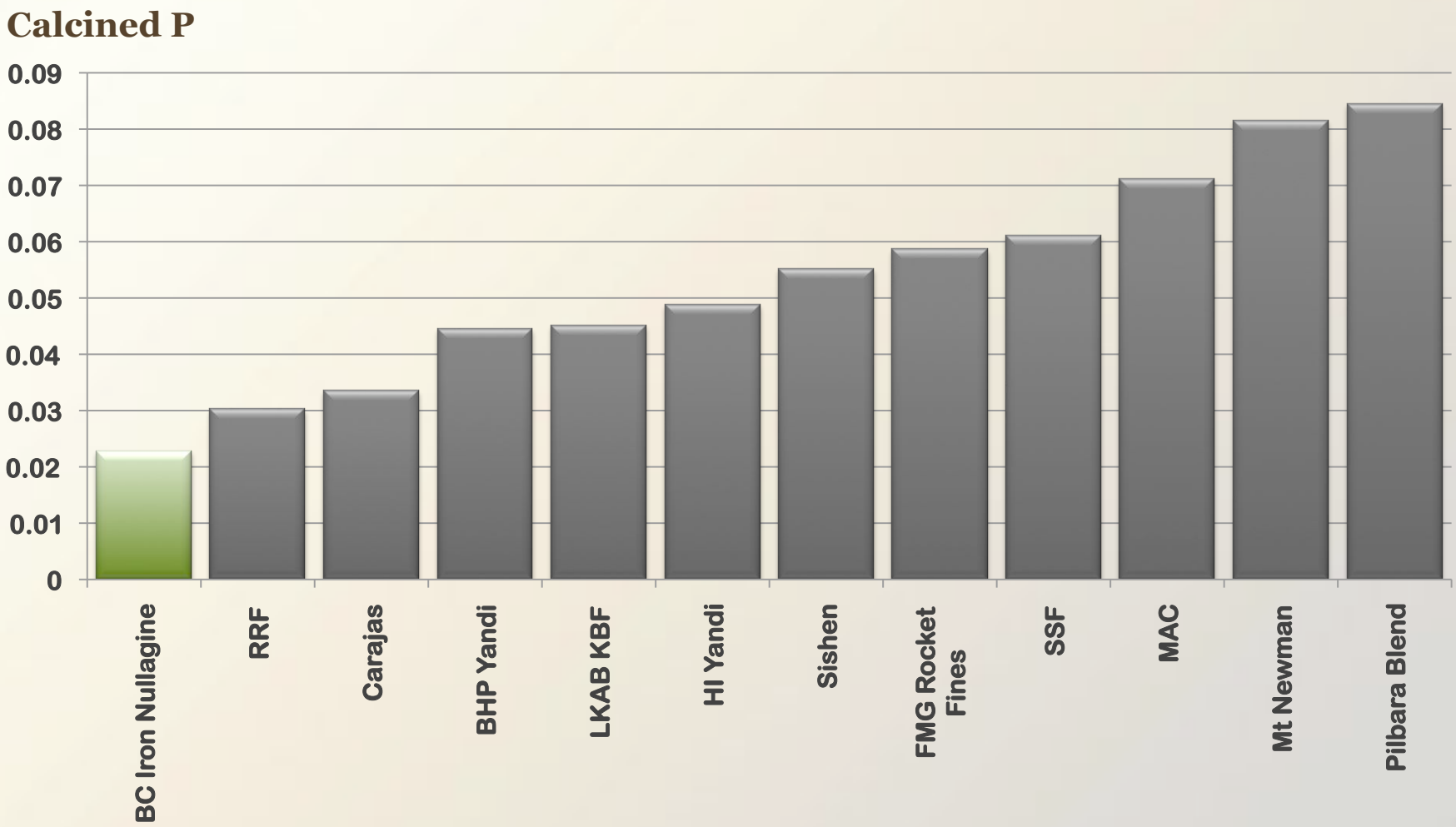

Targeted M & A

- Use in-house experience and IP
- Use developed relationships (FMG, Henghou)
- Experienced Pilbara iron ore junior

Commodity and geography

- Realistic targeting
- Quality and technical & commercial thresholds
- Bulks (Fe, coal, Mn, etc)
- Secure geopolitics

Building a pipeline of projects.

To be a successful iron ore mining company:

- ☑ Quality resources
- ☑ Port and rail infrastructure
- ☑ Off-take agreement
- ☑ Project financing
- ☑ Experienced team
- ☑ Poised for growth

"Ticking all the boxes towards production and beyond!"

SUPPORTING STATEMENT

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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