

11 August 2010

ASX Ltd
Announcements Office
20 Bond St
SYDNEY NSW 2000

Dear Sir / Madam

INVESTOR PRESENTATION

Please find attached for release to the market a copy of the presentation delivered last night by BC Iron's Managing Director to Analysts at FMG's Analyst update in Perth.

Yours faithfully



Morgan Ball
Company Secretary



BC IRON
LIMITED

Level 1, 15 Rheola Street
West Perth, WA 6005
GPO Box 2811 - Perth WA 6001

Telephone : +61 (0)8 6311 3400
Facsimile : +61 (0)8 6311 3449
Email : info@bciron.com.au
ABN : 21 120 646 924
Website : www.bciron.com.au



BC IRON LIMITED

Company Update

August 2010

Mike Young - MD
Morgan Ball - CFO

Points of difference:

- Production & revenue imminent
 - Fully funded to production
 - First ore on Ship in Dec 2010
 - Start up at 3Mtpa moving to 5Mtpa
 - 1Mt shipped by 30 June 2011
- Infrastructure secured – rail and port allocation
 - Nullagine Joint Venture - **BCI:FMG**
 - FMG's – Chichester Hub to Port Hedland
- Quality product
 - Direct Ship Ore – Pisolite
 - High quality – low impurities
 - 20Mt of Resource committed
- Simple operation
 - Minimised performance risk



| | |
|-------------------------|--------------|
| Code: | ASX:BCI |
| Shares | 83.9M |
| ULO's | 12.7M |
| Fully Diluted | <u>96.6M</u> |
| Ave turnover shares/day | 330,00 |
| FD Mkt Cap @ \$1.65 | \$160M |

Gross Cash at July '10 ~ \$40M

3,612 shareholders

• Major shareholders:

- Consolidated Minerals 23.3%
- Regent Pacific 16.2%

• Institutions ~ 30% (incl. Regent) / Retail ~ 70%

50% Australian / 50% Overseas

Nullagine Iron Ore JV

- Under construction
- Production to commence Q3 2010
- 1M tonnes shipped by 30 June 2011

Board

Tony Kiernan – Non-exec Chairman

Mike Young – Managing Director

Glenn Baldwin – Non-exec Director

Terry Ransted – Non-exec Director

Steven Chadwick – Non-exec Director

Senior Management

Blair Duncan – Chief Operations Officer

Morgan Ball – CFO and Company

Secretary

Greg Hudson – Chief Geologist

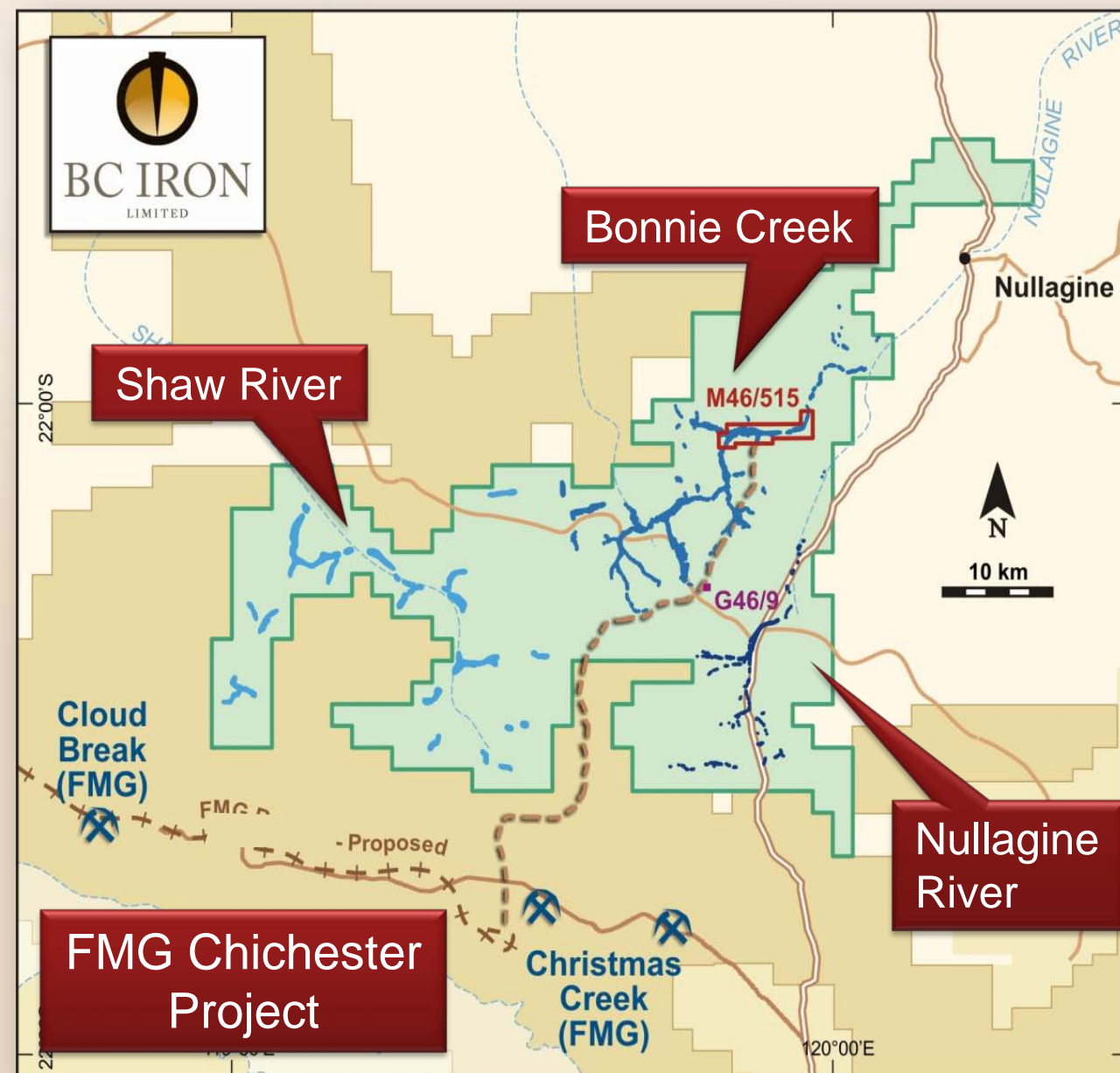
Nullagine Iron Ore Project

- Pilbara region of WA
- Joint Venture with FMG
 - 50/50 share of Project profits
 - Contracted rail & port access
 - 3mtpa to 5mtpa
 - Other synergies
- High quality, direct shipping iron ore reserves
 - Low impurities, high CaFe
 - First grade sinter blend



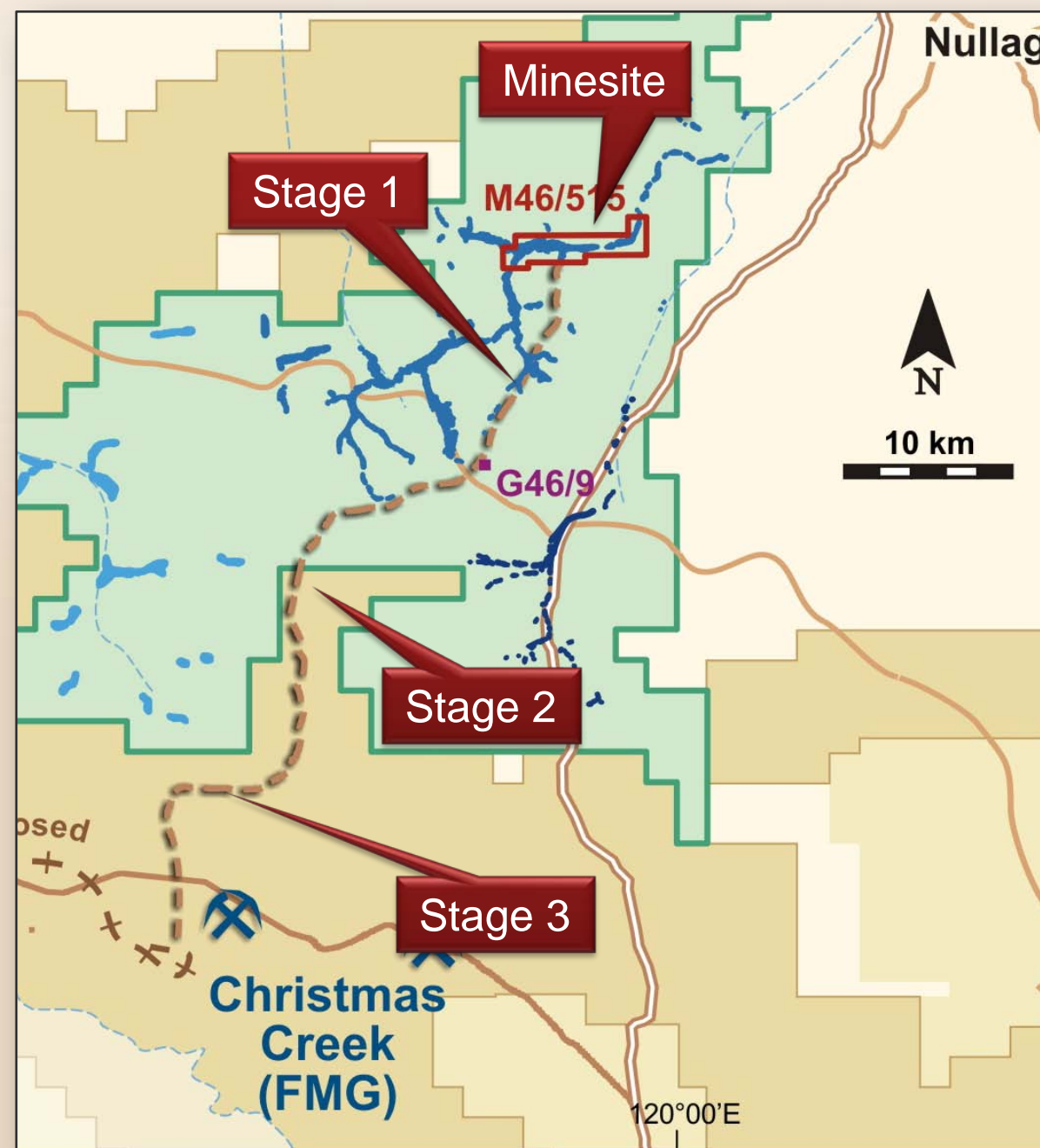
Project Snapshot - 100% (BCI share 50%)

- Reserves: 36Mt @ 57% Fe (65% CaFe)
- Resource: 102Mt @ 54% Fe
- Mine: 3Mtpa moving to 5Mtpa, surface miners & contractor Watpac
- Strip ratio: 1:1 over Life of Mine
- Plant: Striker screening & crushing plant, 2 stage secondary & tertiary cones



Project Snapshot - 100% (BCI 50%)

- Mine Life: 8.5 years
- Capital: \$51.5M
- F'cst Prod'n: 1Mt by 30 June 2011
- Est. Per ann: 3Mtpa moving to 5Mtpa
- F'cst costs: ~\$43/tonne life of mine
(excluding State royalties, Admin costs)
- Workforce: ~20 direct & ~100 contractors

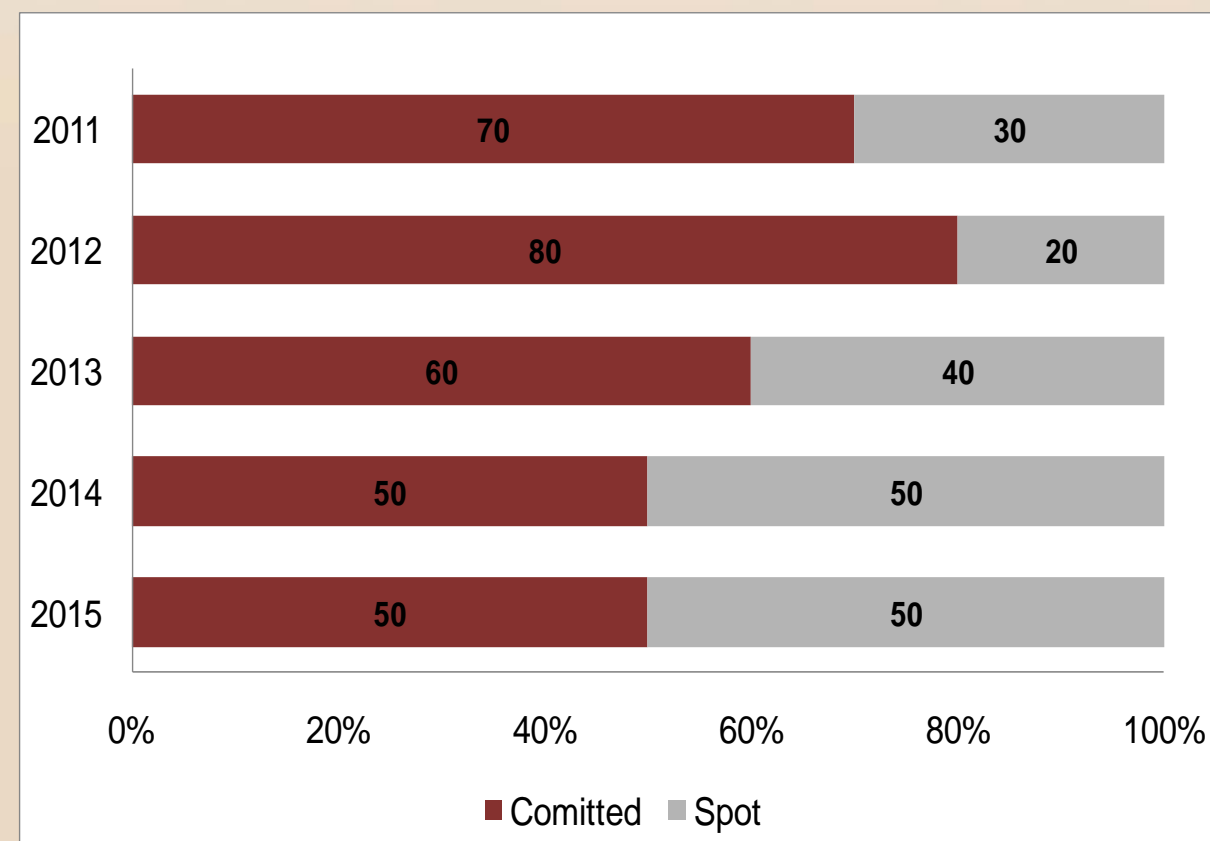
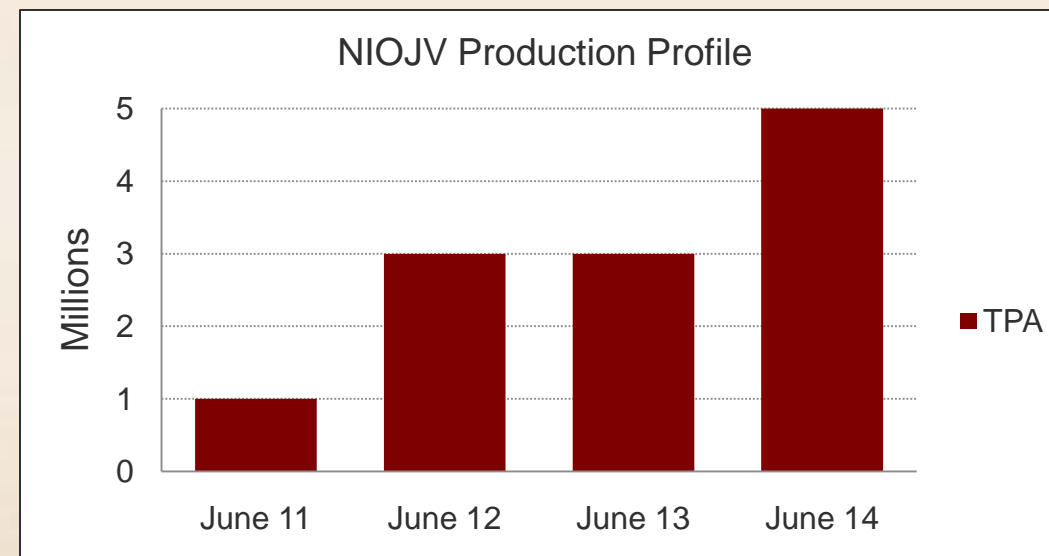


Production Profile

- 3Mtpa to 5Mtpa when FMG expands its Chichester Hub – expected by 2H 2013
- 1Mtpa shipped by 30 June 2011
- 20Mt committed to Henghou Industries

Capital

- \$51.5M capital expenditure
- Funded through Project Finance / Offtake deal with Henghou Industries
- \$20M working capital
- Low capital intensity ~ \$1 per DSO resource tonne
- Sustaining capital ~ \$500k per annum



Product & Pricing

Excellent sinter blend ore

- Low impurities, low ultrafines – excellent performance
- “Nullagine Pisolite” sinter blend improves sintering efficiency and productivity

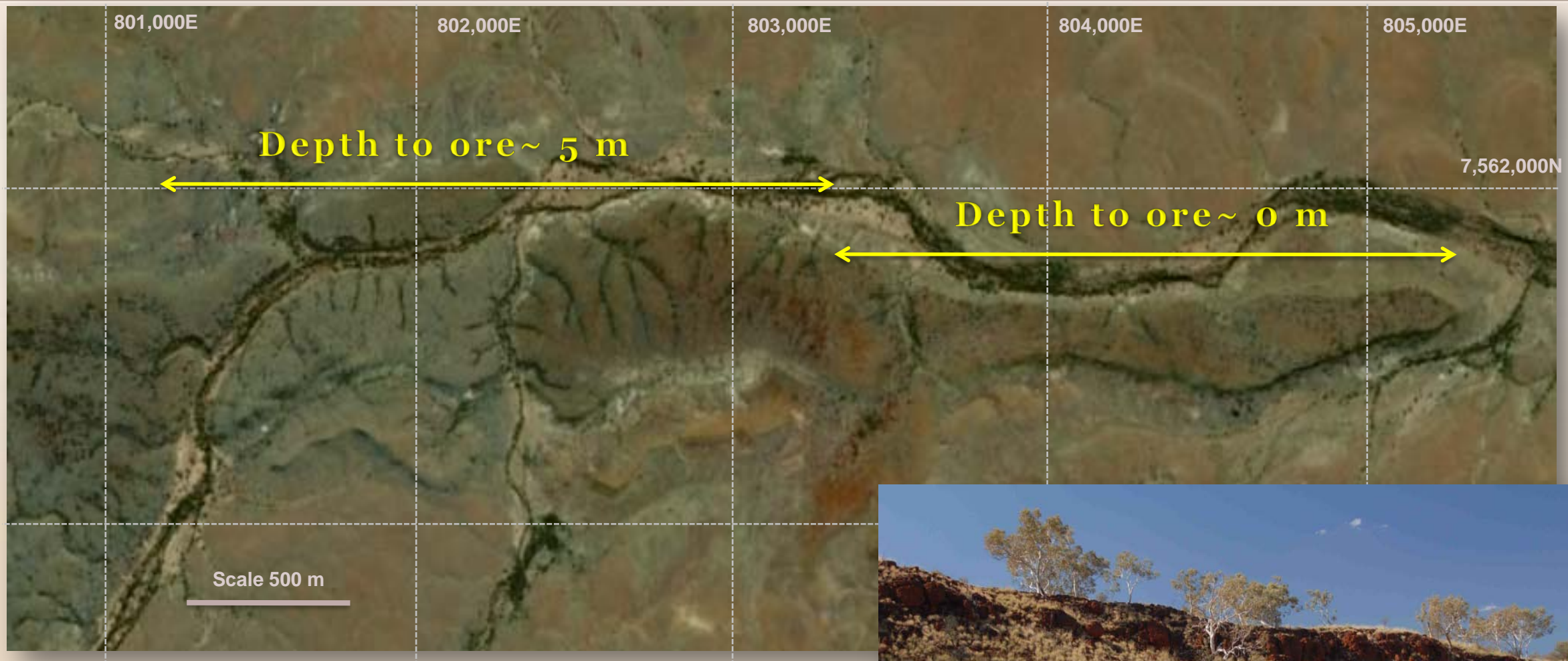
Marketing advantages of Nullagine DSO

- China prefers West Australian hematite & pisolite ores over others
- 40% of WA’s exported iron ore is pisolite ore (Robe R, Yandi)

Pricing

- Ore committed to Henghou sold at either:
 - HIY Iron Fines benchmark; or
 - If no benchmark, then via an agreed hybrid Index based on Platts 62% Fe CFR
- Remaining ore to be sold on the spot market based on the Platts 62% Fe CFR



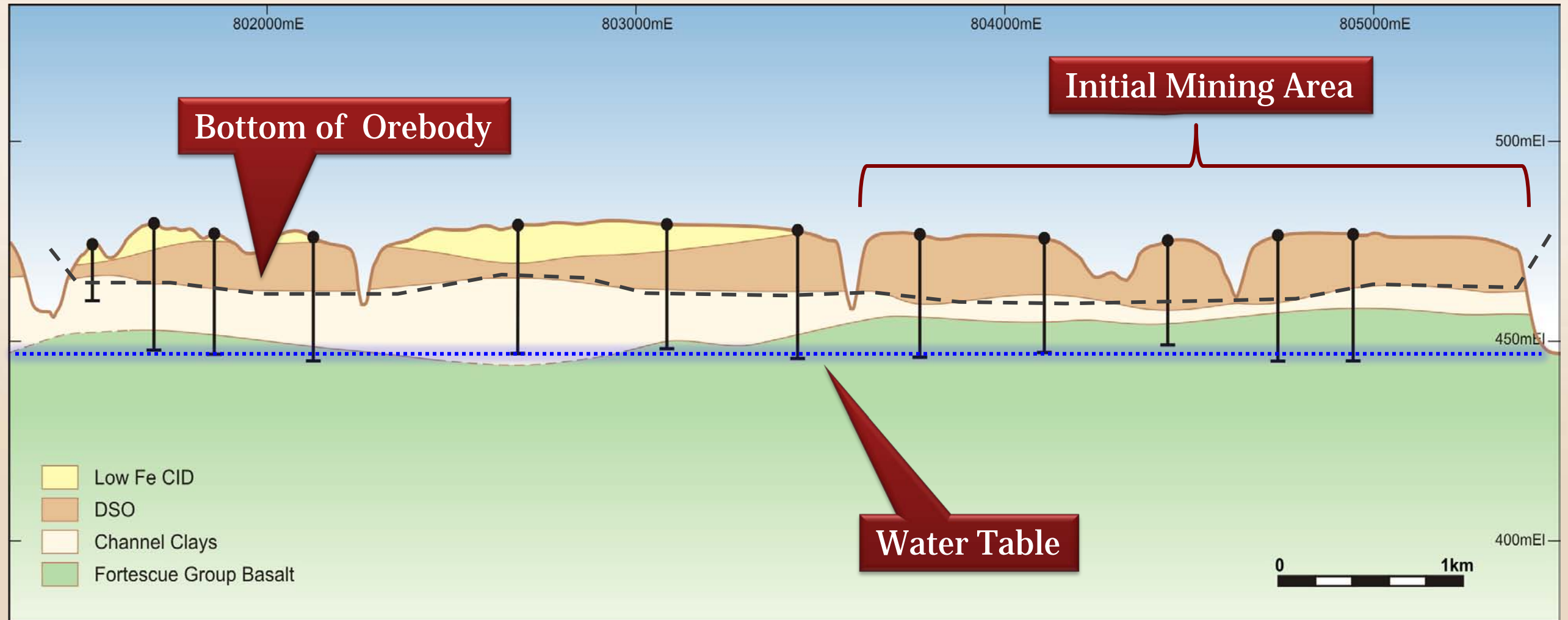


Outcamp-Warrigal deposit

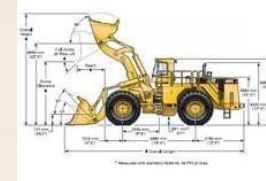
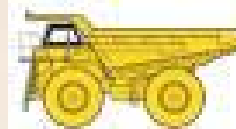
- Outcropping mesa (Spanish for 'table')
- Above water table
- No pit – mining off the top of mesa



Ore outcrop Outcamp

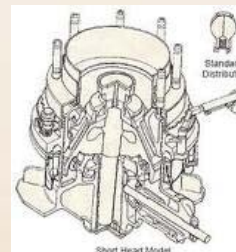
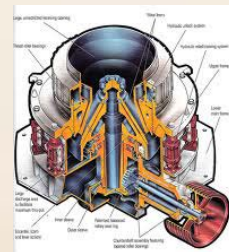
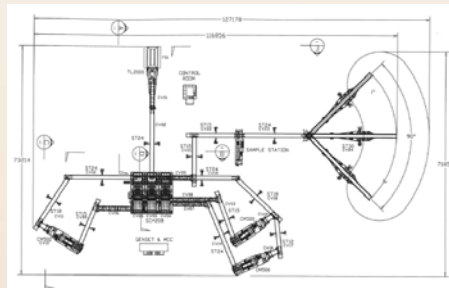


- **Shallow “pits”** mainly above surrounding plains - mining ore from day 1
- **Above water table** - lower environmental impact
- **Low OpEx** - low strip ratio, use of surface miners, efficient crushing and screening



Mining

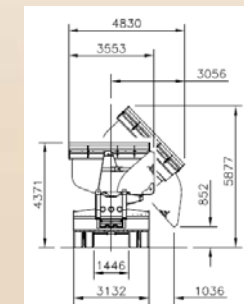
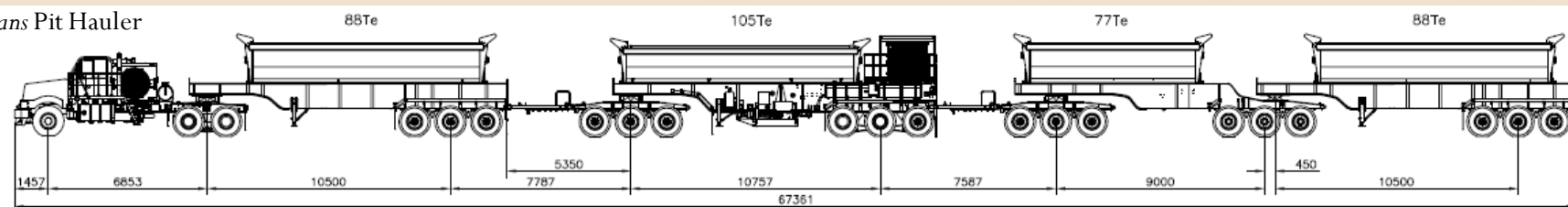
- Wirtgen 2500SM Surface Miner x 2
- CAT 777D Dump Trucks x 3
- CAT 992 FEL's x 2



Crushing & Screening

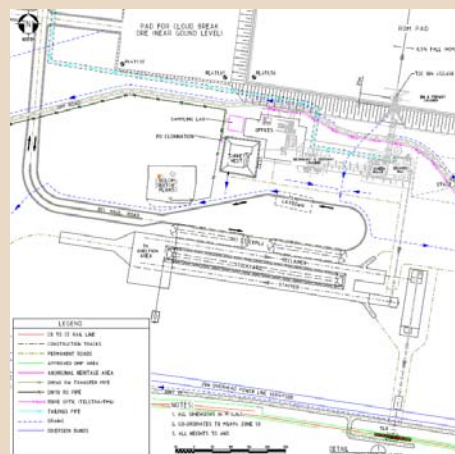
- Striker Crushing & Screening Plant
- TL 2000 Apron Feeder
- Three stage screening plant
- CM 500 Cone Crushers x 2
- Sampling Station
- 600 tonnes per hour

Powertrans Pit Hauler



Road Haulage

•55 km private haul road •360 tonne Pay load



Project Stockpile

Rail



Christmas Creek

291 km

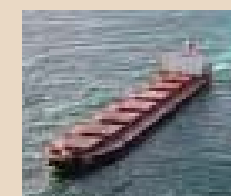
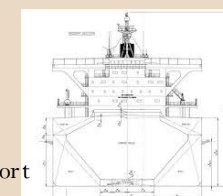
Port



Herb Elliott Port

Port Hedland

Ship to Market



3.0 Mtpa in 2011

5.0 Mtpa in 2013



June 2010 – 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 |

Total 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 | 30.6 | 54.4 | 61.8 | 4.63 | 3.54 | 0.016 | 0.021 | 11.8 |
| TOTAL | 101.6 | 54.1 | 61.8 | 4.54 | 3.23 | 0.017 | 0.015 | 12.4 |

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

Targeted M & A

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

Commodity and geography

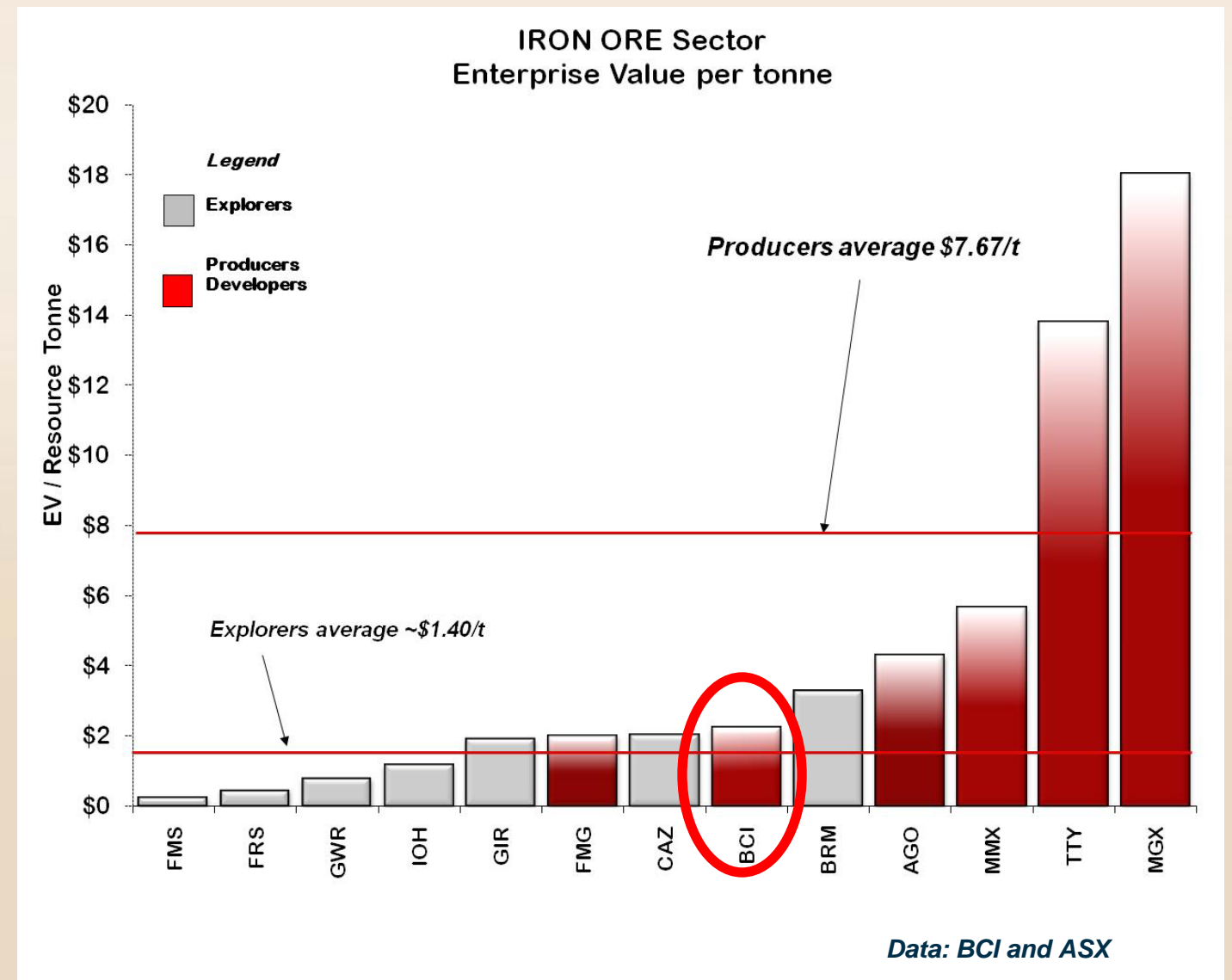
- Realistic targeting of sufficient quantity, quality and technical & commercial thresholds
- Active in bulks (Fe, coal, Mn, etc)
- Favourable geopolitics

Building a pipeline of projects!



BCI is poised for value re-rating:

- ✓ Infrastructure solution secured
- ✓ Approvals in process and on track
- ✓ Key contracts awarded – long lead items locked in
- ✓ Mining commences Q3 2010
- ✓ Iron ore exports commence Q4 2010
- ✓ Revenue stream in 2011 – key to long term growth



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 at Outcamp, Warrigal Well, and Coongan Well 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.

The information that relates to the Mineral Resource Estimate at Bonnie East and Shaw River have been compiled by Mr Greg Hudson who is a member of the Australian Institute of Geologists and an employee of BC Iron, and Mr Mike Young who is a member of the Australian Institute of Geologists and an employee BC Iron. Mr Young has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is 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 Hudson 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 Reserve has been compiled by Mr Blair Duncan who is an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy, and 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.