

25 October 2010

The Manager
Company Announcements Office
Australian Securities Exchange

BC Iron Limited (ASX:BCI)

Please find attached a copy of the presentation that BC Iron will be presenting to investors during its East Coast road show beginning on Wednesday, 27 October 2010.

Yours sincerely



Morgan Ball
Company Secretary



BC IRON LIMITED

Project Update

October 2010

Mike Young - MD
Morgan Ball - CFO

Points of difference:

- Production & revenue imminent
 - Mining commenced
 - 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 iron ore
 - Excellent sinter blend with low impurities
 - 20Mt of exports now committed
- Simple operation
 - Minimised performance risk



Staying Focused

- Dec 2006 BC Iron lists on Australian Securities Exchange (ASX)
- May 2007 Resource drilling identifies iron ore at Nullagine
- Jul 2007 Memo of understanding with FMG
- 2007-09 Drilling to Feasibility & Ore Reserves
- Jul 2009 Capital raising A\$22M
- Aug 2009 Joint Venture with FMG & rail haulage and port agreement
- Nov 2009 US\$50m Project finance and offtake deal with Henghou Industries (Hong Kong) Limited
- Apr 2010 Native Title agreement and Mining Lease grant
- May 2010 Site construction commences
- Oct 2010 Mining commences

Listing to mining in under 4 years



Discovery hole May 2007



Board of Directors BC Iron at the Nullagine JV

The ore stockpile from the Trial Mining carried out in 2H 2009 can be seen in the background.

Trial mining was a main recommendation of the Feasibility Study and served to de-risk the project by confirming important assumptions in the Study and confirmed the method of surface mining as viable.

The stockpile's tonnage and grade were 13% better than predicted in the resource model supporting the estimation methods.

(L to R) Mike Young, Steve Chadwick, Tony Kiernan, Terry Ransted and Glenn Baldwin

Mike Young (49) MD and CEO – a geologist with extensive experience in resource definition and feasibility in variety of commodities including gold, copper, uranium and iron ore. Former NED of Bannerman Resources.

Tony Kiernan (59) Non-exec Chairman – a solicitor with extensive experience in management and operation of Australian public companies. Chairman of Venturex Ltd and NED Chalice Gold and Uranium Equities

Glenn Baldwin (38) Non-exec Director – a mining engineer experienced in project assessment and development. Group COO with Consolidated Minerals Limited a >1.2 mtpa Mn producer.

Steven Chadwick (56) Non-exec Director - a metallurgist with technical, operational and management roles in base metals and gold mining and processing. A director of NGM Resources Limited.

Terry Ransted (54) – Non-exec Director – a geologist with Alkane Resources managing exploration and development programs. Experience in iron ore at Hamersley and Yandicoogina pisolite deposit.

Code:	ASX:BCI
Shares:	83.9 m
Unlisted Options:	12.7 m
Fully Diluted	<u>96.6 m</u>
Market Cap fully diluted @ A\$2.15	A\$208 m
Gross Cash at Sep '10	A\$34 m
Major shareholders:	
Consolidated Minerals	23.3%
Regent Pacific	16.8%
Directors	4.7%
Institutions ~ 30% (incl. Regent) / Retail ~ 70%	
50% Australian / 50% Overseas	
~3,300 shareholders	

Senior Management Team

Blair Duncan - Chief Operations Officer

Morgan Ball - Chief Financial Officer

John McCarthy – Resident Manager, NIOJV

Greg Hudson - Chief Geologist

Gerry Bradley – Sustainability Manager

Donna Neill – HR and OH&S

The BC Iron team has the breadth of experience and passion to deliver the project outcomes, to grow the company and deliver shareholder value now and into the future

INTEGRITY - MINING - SUCCESS

BC Iron Limited – Pilbara Projects

- Bungaroo near RIO Tinto's Bungaroo Creek & IOH Buckland Hills
- Exploration in 2011 field season

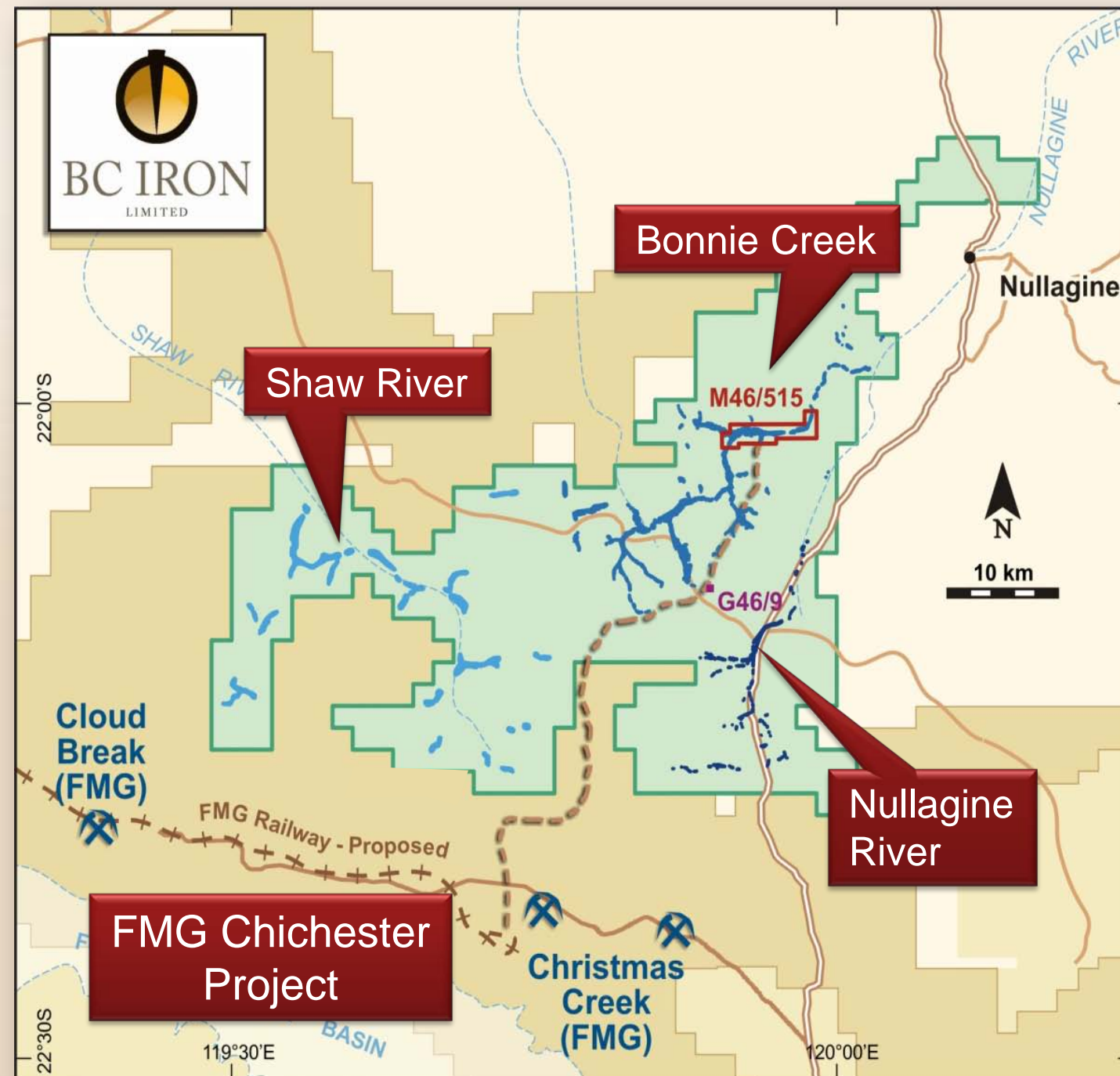
Nullagine Project

- Directly north of FMG Chichester Operations
- Ore Reserves of 36Mt @ 57% Fe (65% CaFe)
- Targeting further 10 - 15mt ore through exploration and beneficiation test work
- Mineral Resource of 102Mt @ 54% Fe (61% CaFe)



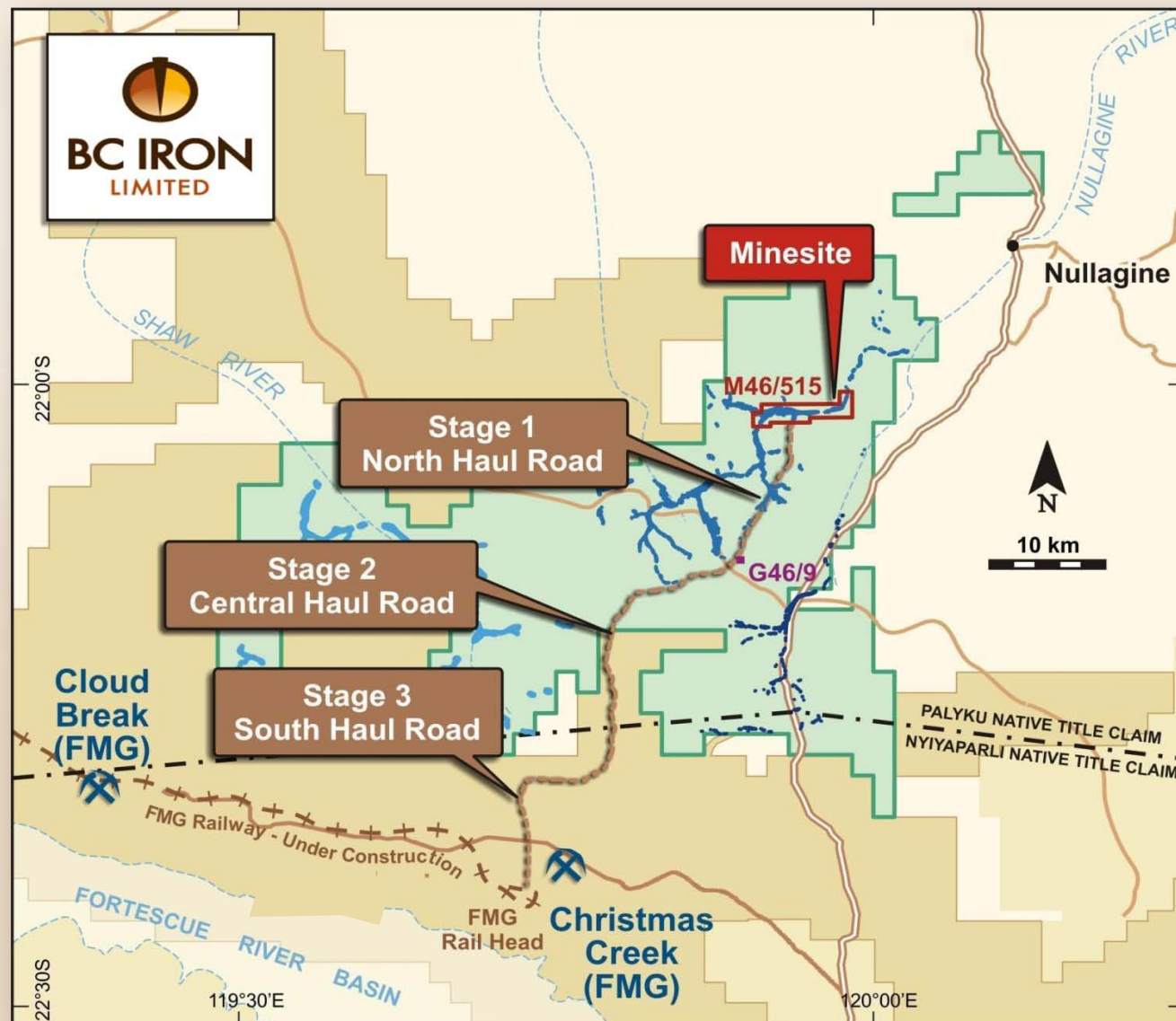
Nullagine Iron Ore Joint Venture

- Joint Venture with FMG (50:50)
- BC Iron operators of the Project
- BCI manages all facets of mining and trucking
- BCI contracts TPI to provide rail & port services on a fixed price per tonne basis
- FMG provide marketing services
- Each shipment 'joint & several' with proceeds to Joint Venture
- 50/50 distribution of Project profits
- Expansion to 5mtpa with FMG ramp-up to 95mtpa ~ 2012



Project Metrics (BCI 50%)

- Production: 1mt shipped in FY10/11
3mt shipped in FY11/12
- Mine Life: 8.5 years + growth
- Mining: Wirtgen surface miners & front-end loaders
- Crush/screen: Striker 2° and 3° only
- Haulage: 361t Power Trans road haul via private road
- Rail & Port: Contracted to TPI(FMG)
- Capital & WC: A\$72m
- Cash costs: ~A\$43/tonne life of mine
(excl. State royalties, Admin costs)



Production Profile

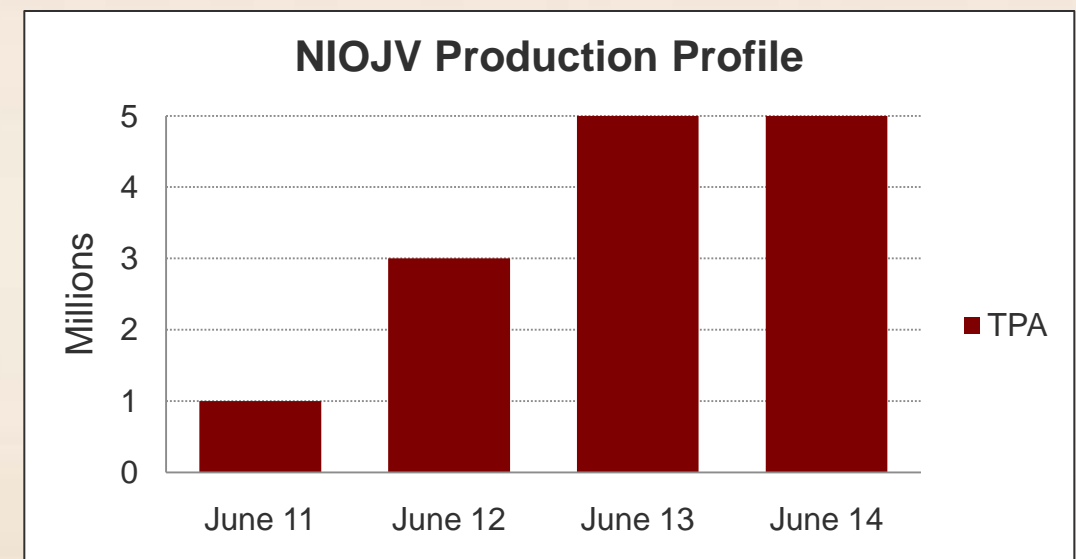
- 1Mtpa shipped by 30 June 2011
- 3Mtpa to 5Mtpa when FMG expands its Chichester Hub – expected by 2H 2012
- 20Mt committed to Henghou Industries (HK)

West Australian CID

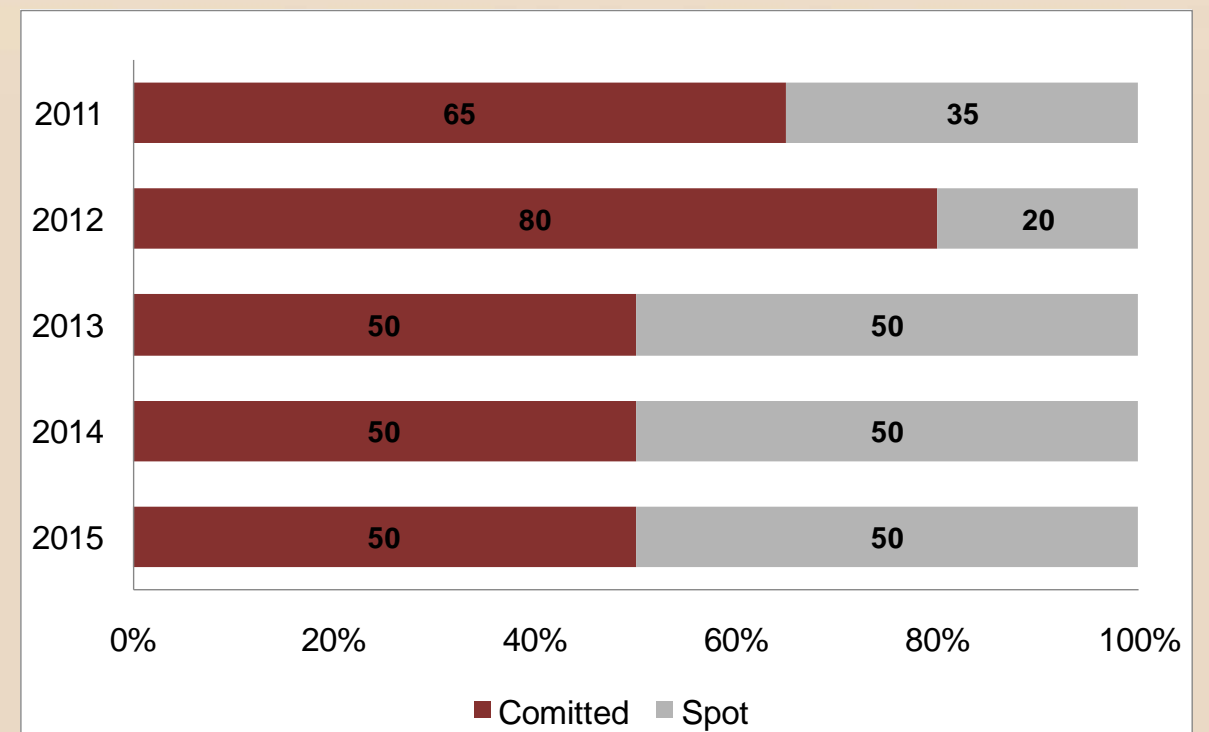
- Fines only pisolite – *Robe, Yandi, Solomon*
- Low impurities, low ultra-fines, low moisture yielding excellent sintering performance
- “Nullagine Pisolite” sinter blend improves sintering efficiency and productivity at mill

Marketing & Pricing

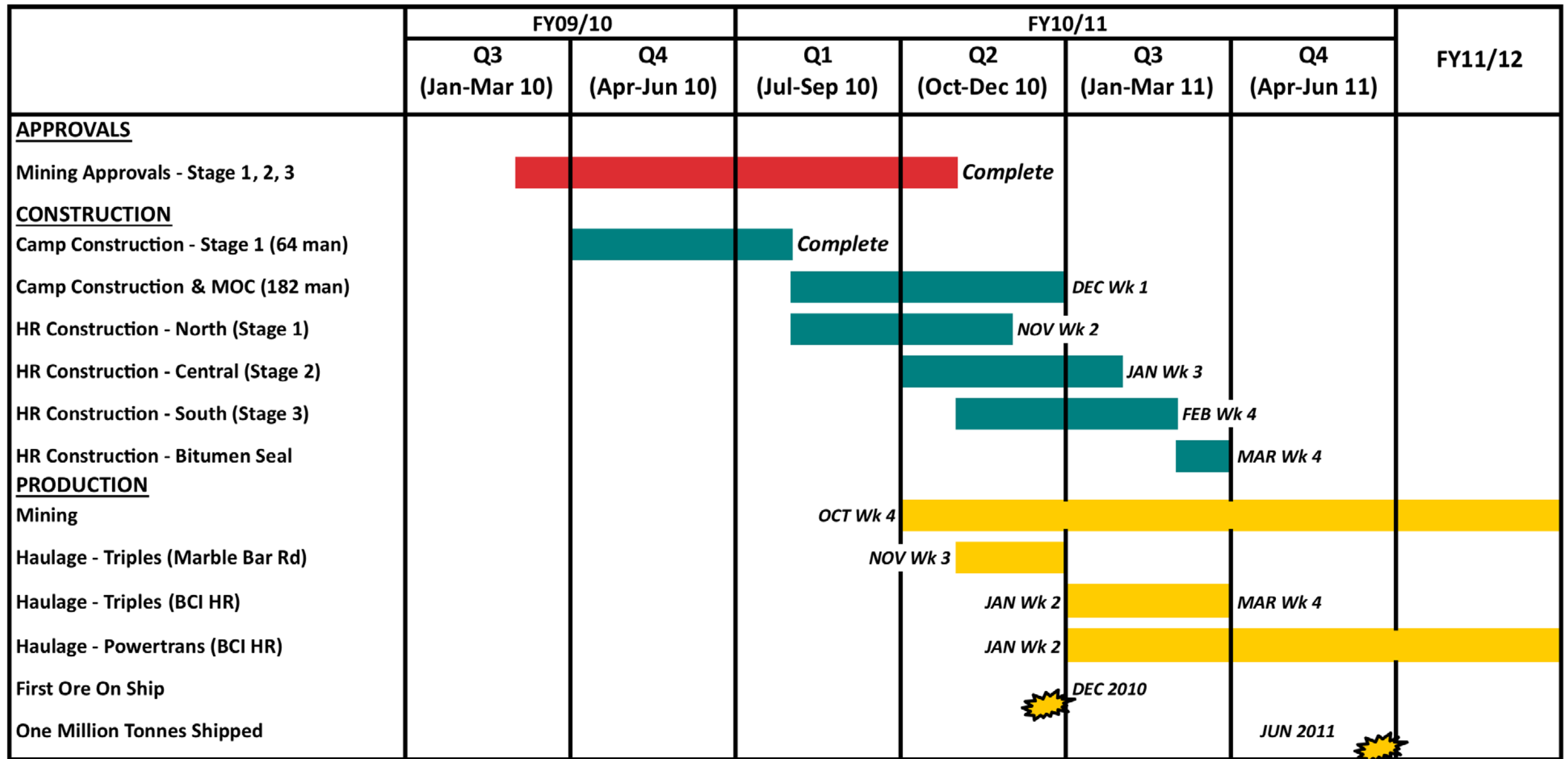
- FMG provides marketing services to JV
- Uncommitted ore to be sold on the spot market based on the Platts 62% Fe CFR
- Ore committed to Henghou sold at agreed discount based on Platts 62% Fe CFR



Distribution of spot sales versus Henghou

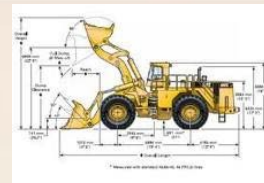


Nullagine Iron Ore Joint Venture – Project Schedule



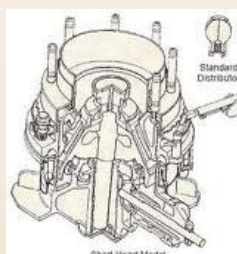
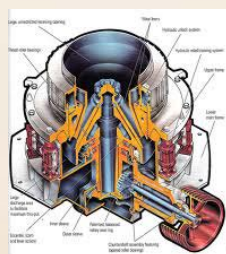
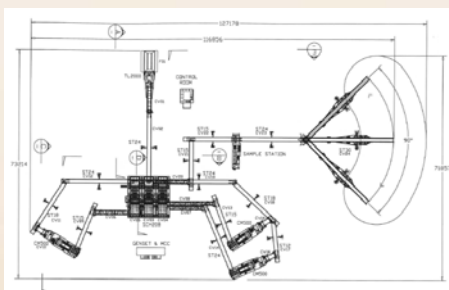
Construction & mining schedule as of October 22 2010

Schedule is general in nature and changes may occur



Mining

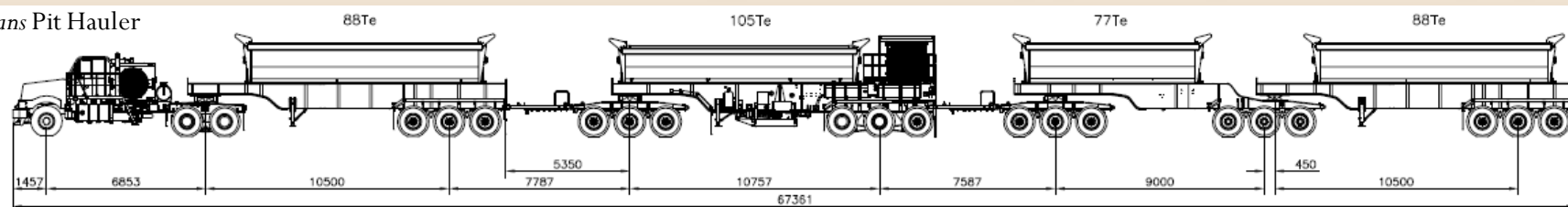
- Wirtgen 2500SM Surface Miner x 2
- CAT 777D Dump Trucks x 3
- CAT 992 FEL's x 2



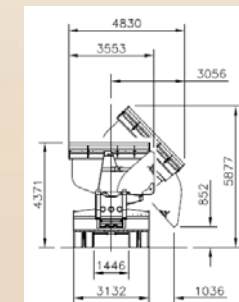
Crushing & Screening

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

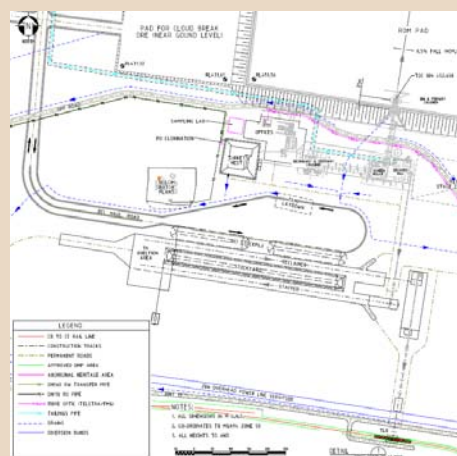
Powertrans Pit Hauler



•55 km private haul road •360 tonne Pay load



Road Haulage



Project Stockpile

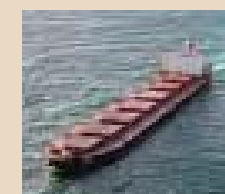
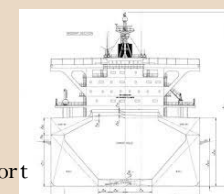
Rail



Port



Ship to Market



Christmas Creek

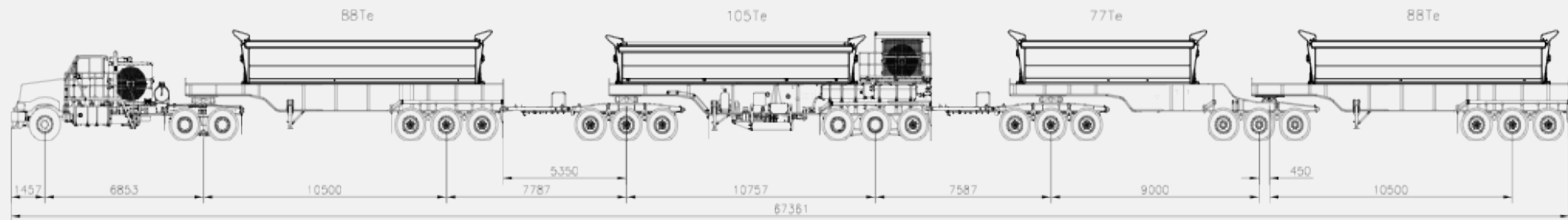
291 km

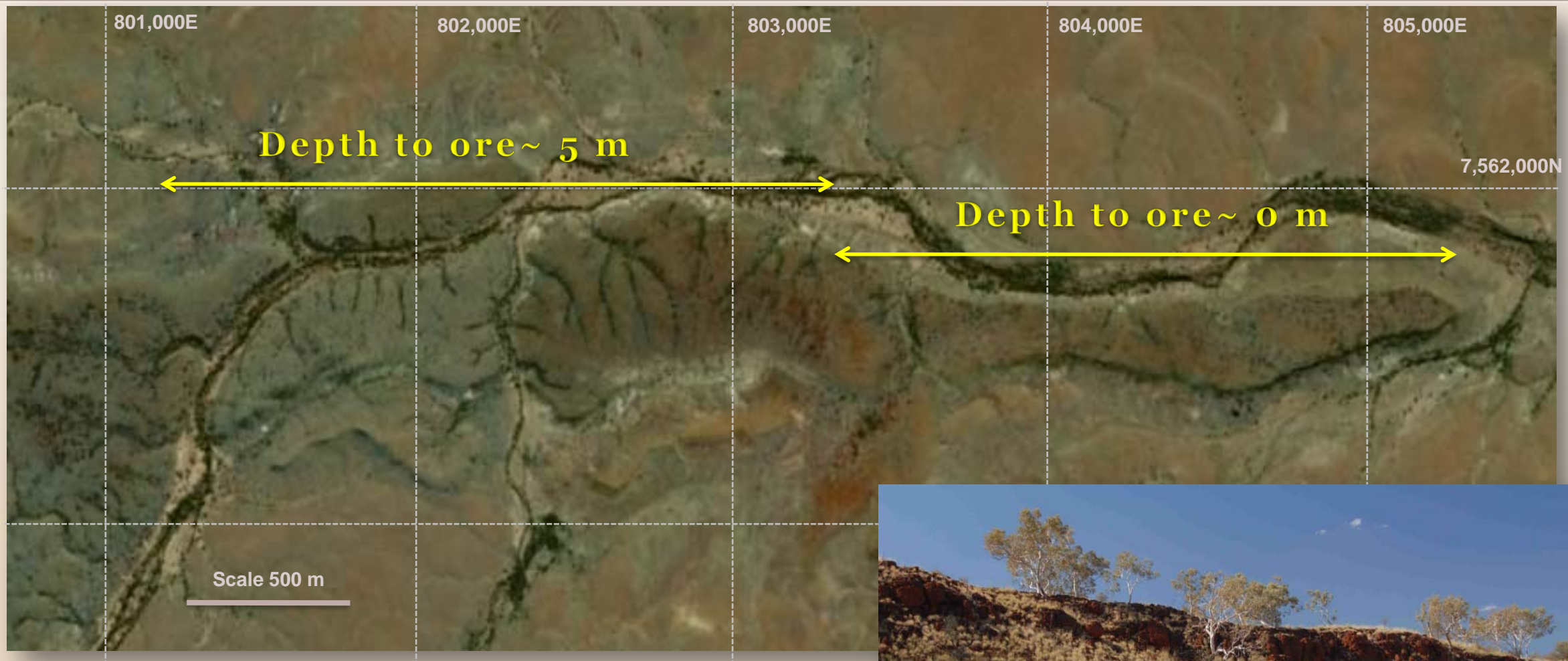
Herb Elliott Port

Port Hedland

3.0 Mtpa
in 2011

5.0 Mtpa
in 2013





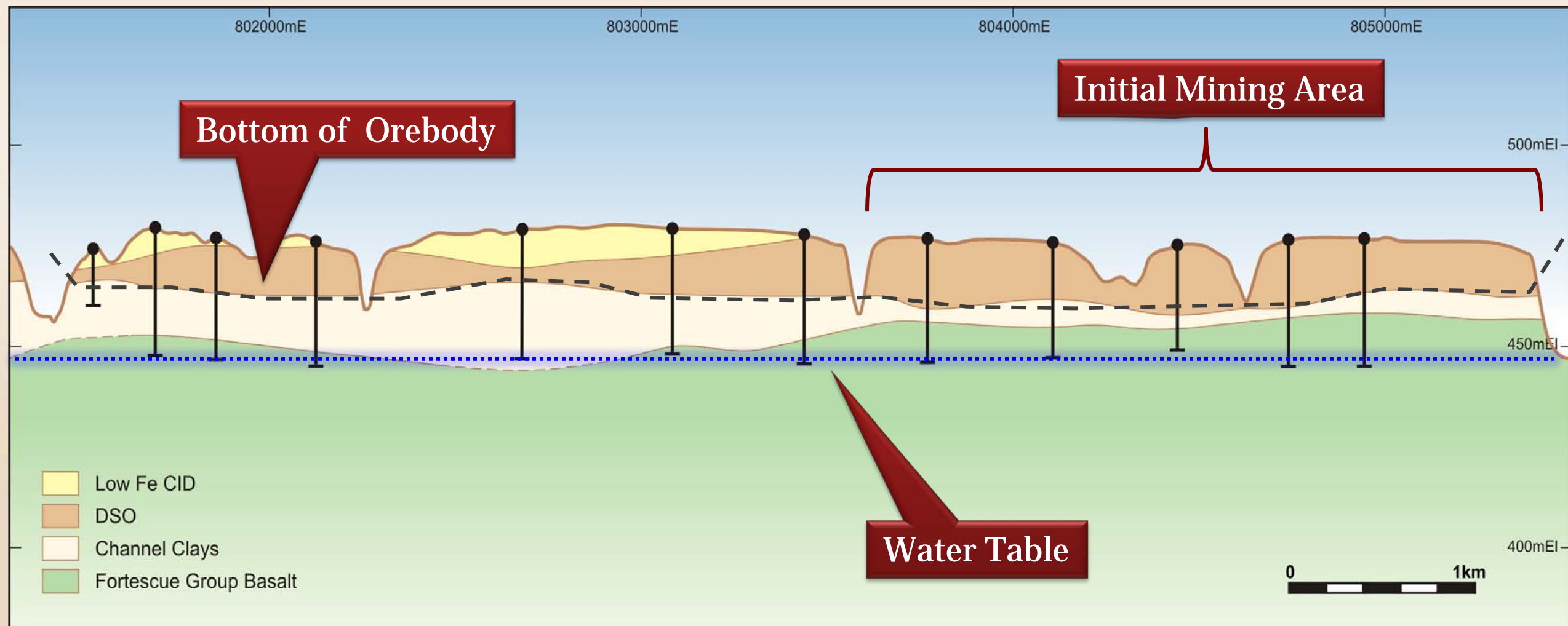
Outcamp-Warrigal deposit

- 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

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

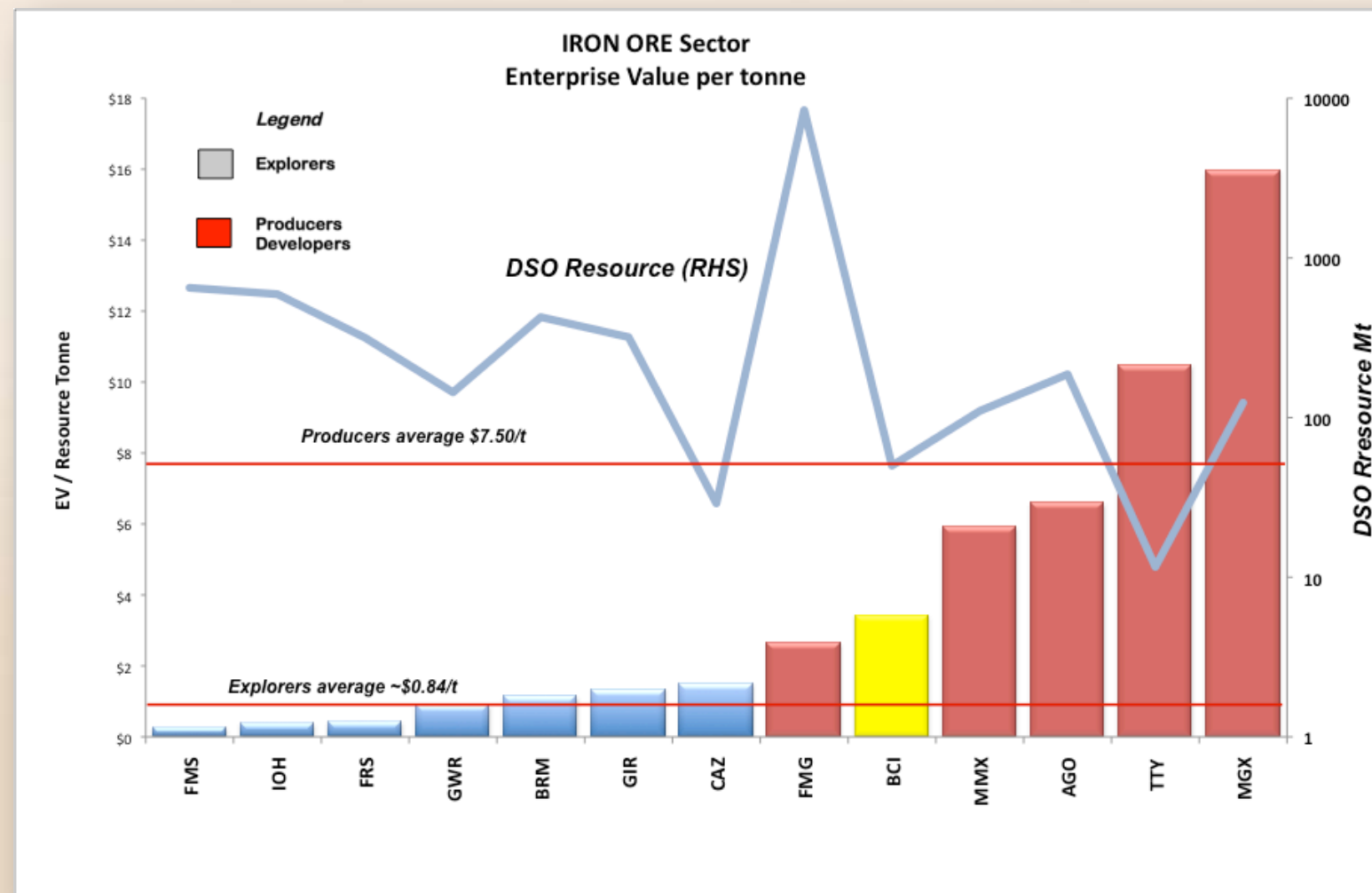
- Realistic targeting of sufficient quantity, quality and technical & commercial thresholds
- Active in bulks (Fe, coal, Mn, etc)
- Favourable geopolitics

Building a pipeline of projects!



BCI is poised for value re-rating:

- ✓ Infrastructure solution secured
- ✓ Approvals from mine to port secured
- ✓ Key long-lead items ordered (Powertrans, Wirtgen SM)
- ✓ Mining commenced Q3 2010
- ✓ Iron ore exports commence Q4 2010
- ✓ Revenue stream in 2011 – key to long term growth



Data: BCI and ASX



Project stockpile at Outcamp, looking south along haul road corridor

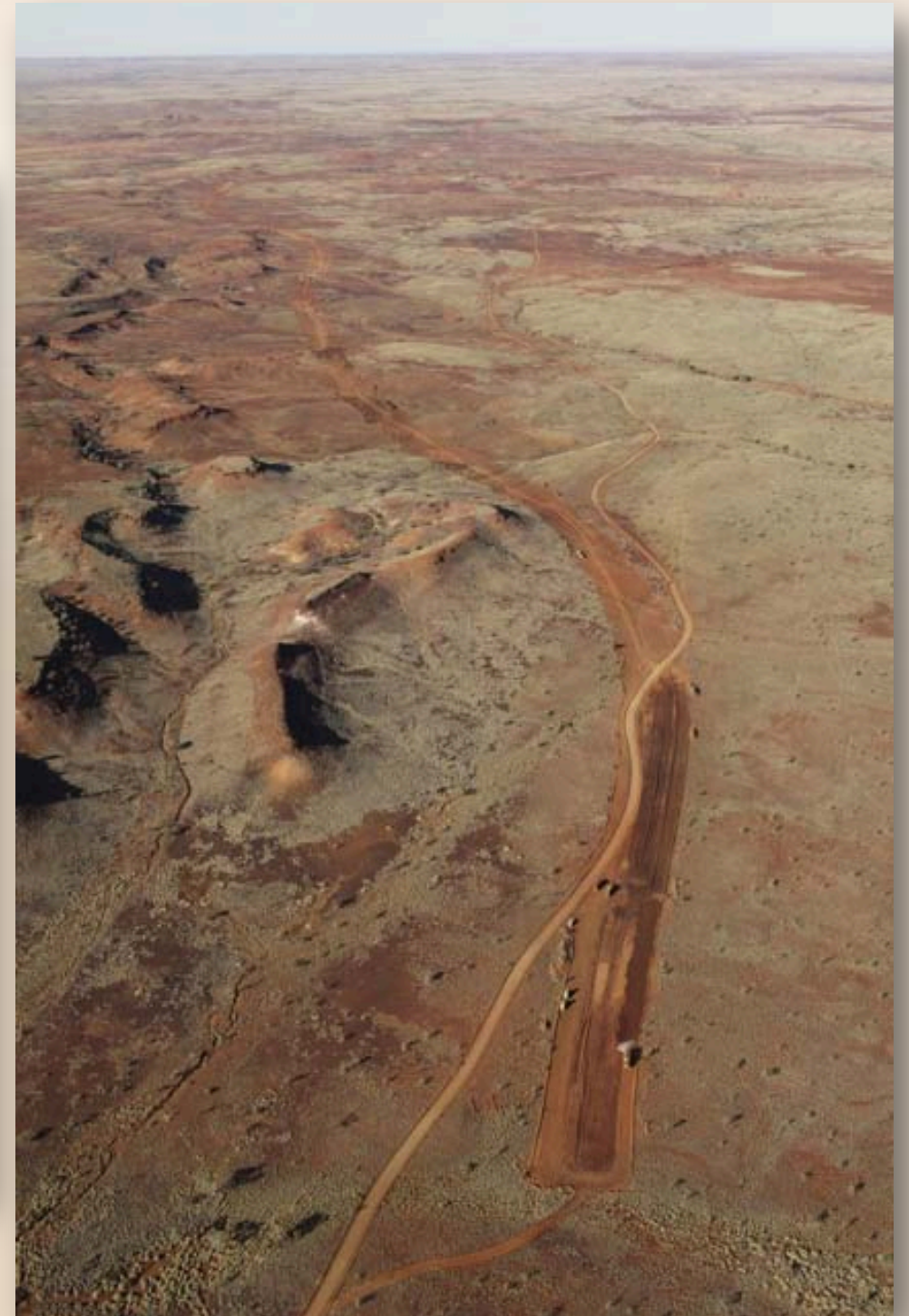
Graders clearing on haul road alignment.



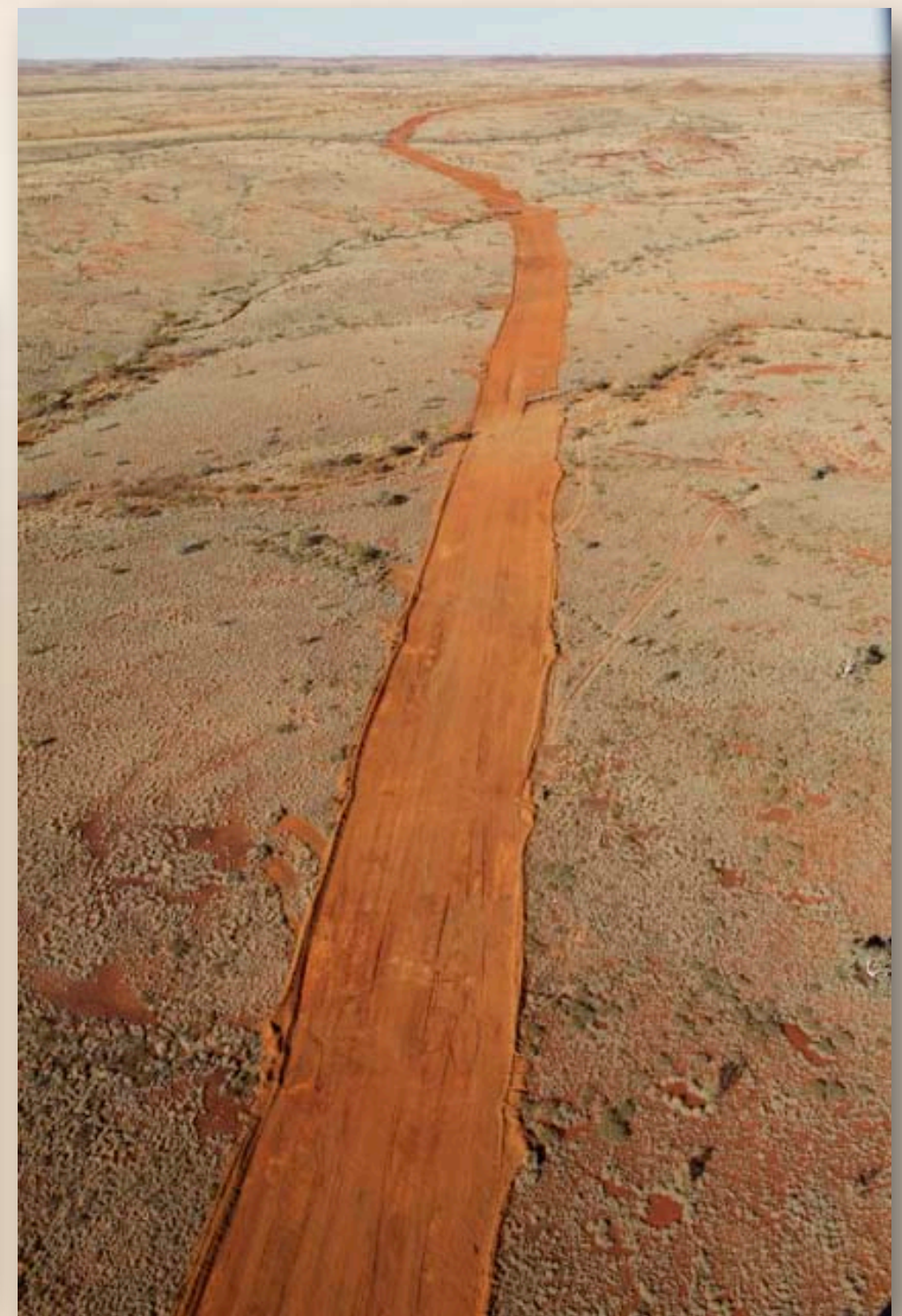
Aerial view of Stage 1 haul road alignment clearing looking north towards Outcamp (right).



Haul road alignment clearing (above).



Aerial views of Stage 1 haul road alignment clearings.





Aerial view looking northwest of Christmas Creek OPF rail loop.
BC Iron haul road will enter from top right of photo.



Aerial view looking southeast of Christmas Creek OPF rail loop. BC Iron stockyard area will be in the cleared area in the middle right of the photo.



Aerial view of BC Iron first stage, 60-man camp. Expansion underway to final camp which will be 180-man.

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.