

21 March 2011

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 at the Mines and Money Conference in Hong Kong as well as to individual investors and institutions beginning on Tuesday 22 March 2011.

Yours sincerely



**Morgan Ball**  
**Company Secretary**



# BC IRON LIMITED

## Company Update – Hong Kong 2011

March 2011  
Mike Young - CEO  
Morgan Ball – CFO

## 2006 to 2010 : Rapid Growth

- **2006** – Listing on Australian Securities Exchange
- **2007** – Discover of iron ore at Outcamp Well
- **2008-2009** – Drilling, Feasibility, Joint Venture with Fortescue
- **2010** – Mining commences
- **2011** – Iron ore exports commence



## Points of difference:

- Iron ore producer and exporter
  - First ore on ship in Feb 2011
  - Production at 3Mtpa by mid-2011
  - Ramp up to 5Mtpa by mid-2012
- Infrastructure secured – rail and port allocation
  - Nullagine Joint Venture with Fortescue Metals
  - Fortescue Chichester Hub to Port Hedland
- Quality product – “*Bonnie Fines*”
  - Direct Ship Ore – CID pisolite fines
  - Excellent sinter blend with low impurities
  - 20Mt of exports now committed
- Simple operation
  - Minimised performance risk



## Regent Pacific Scheme of Arrangement Takeover

- BC Iron Directors unanimously recommend bid pending outcome of Independent Experts Report
  - AUD 3.30 per share
  - Allows shareholders to determine outcome – 75% YES vote required
  - Positive value metrics on per reserve tonne and historical VWAP basis
- Regent Pacific – diversified HK Mining House with assets in China, Mongolia and Australia
  - Regent see BCI as path to growth in Australia
  - Regent's Board have recently withdrawn their support for the bid
  - BC Iron have asked Regent to re-instate the bid
  - Otherwise BC Iron will forward the decision to the Takeovers Panel
  
- BC Iron Board firmly believes that shareholders have a right to due process under the Scheme as agreed to between the parties



## 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 (50) MD and CEO** – a geologist with extensive experience in resource definition and feasibility in variety of commodities including gold, copper, uranium and iron ore. NED of Waratah Gold Limited.

**Tony Kiernan (60) Non-exec Chairman** – a solicitor with extensive experience in management and operation of Australian public companies. Chairman of Venturix Ltd and NED Chalice Gold and Uranium Equities

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

**Steven Chadwick (57) Non-exec Director** - a metallurgist with technical, operational and management roles in base metals and gold mining and processing. A NED of NGM Resources Limited.

**Terry Ransted (55) – 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   | 94.4 m                    |
| Unlisted Options                                 | 10.2 m                    |
| Fully Diluted                                    | <u>104.6 m</u>            |
| Market Cap fully diluted @ A\$2.55               | A\$260 m                  |
| Gross Cash at Feb '11                            | A\$33 m                   |
|  | (BC Iron Limited A\$25 m) |
|  | (NIOJV (50%) A\$8 m)      |
| Major shareholders:                              |                           |
| Consolidated Minerals                            | 21.0%                     |
| Regent Pacific                                   | 19.9%                     |
| Directors  | 4.0%                      |
| Institutions ~ 35% (incl. Regent) / Retail ~ 65% |                           |
| 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

*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**

## Bungaroo Project (BCI 100%)

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

## Nullagine Joint Venture (BCI 50%)

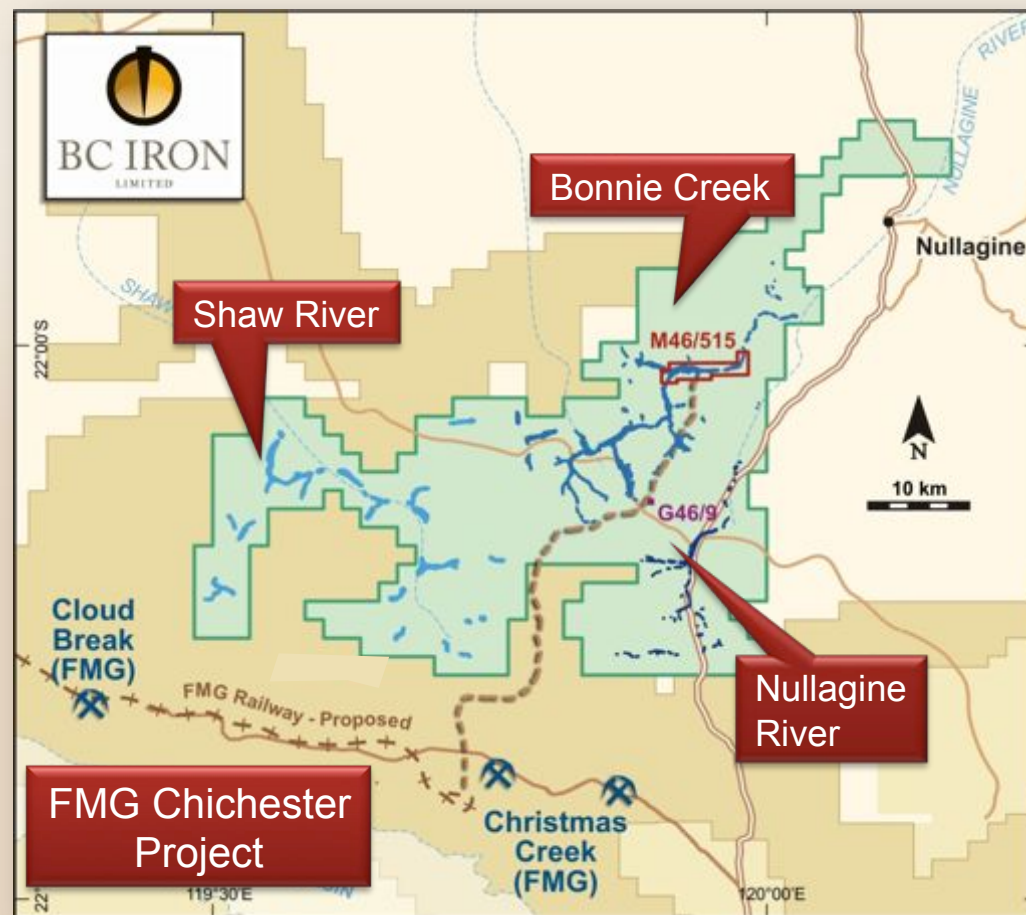
- Directly north of Fortescue's Chichester Operations
- Ore Reserves of 36Mt @ 57% Fe (65% CaFe)
- Mineral Resource of 102Mt @ 54% Fe (61% CaFe)
- Targeting further 10 - 15mt ore through exploration and beneficiation test work





## Nullagine Iron Ore Joint Venture

- Joint Venture with Fortescue (50:50)
- BC Iron Nullagine (BCIN) is the operator and Manager of the Project
- BCIN contracts TPI to provide rail & port services on a fixed price per tonne basis
- Fortescue provides marketing services
- Each shipment 'joint & several' with duplicate contracts and pricing
- 50/50 distribution of profits and costs
- Expansion to 5mtpa with Fortescue ramp-up to 95mtpa ~ 2012



## Project Metrics (BCI 50%)

- Production: 0.8mt 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<sup>o</sup> and 3<sup>o</sup> only
- Haulage 1: Short term using 75t road trains
- Haulage 2: 361t Powertrans on private haul road
- Rail & Port: Contracted to TPI via Port Hedland
- Cash costs: ~A\$43/tonne life of mine  
(*excl. royalties, admin, marketing*)



## Production Rates

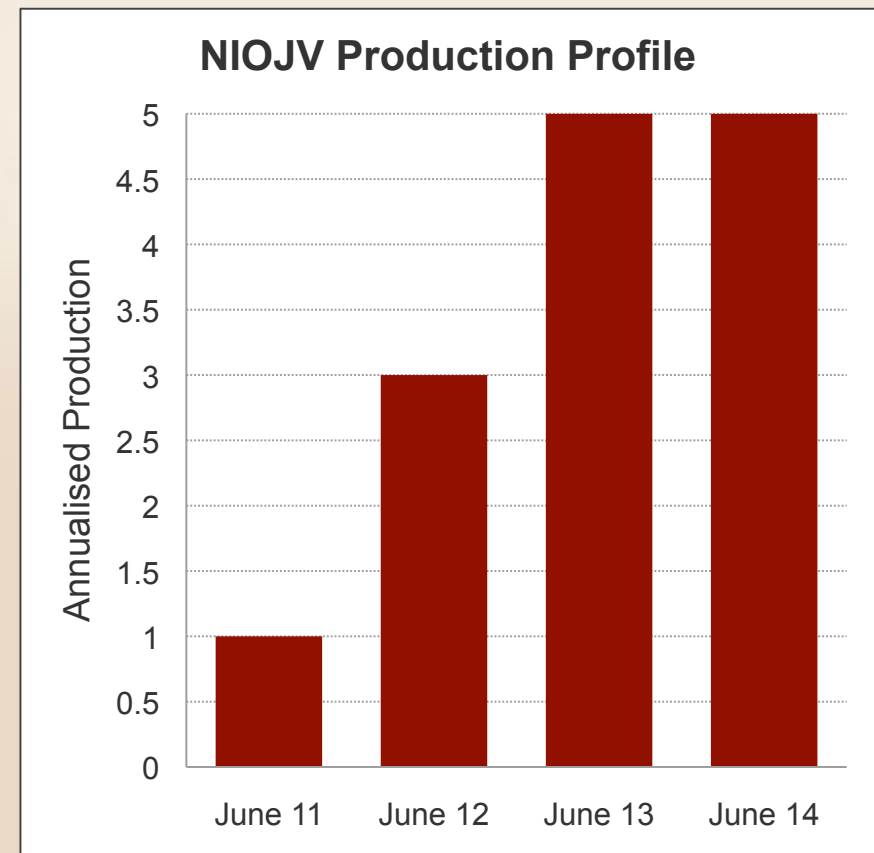
- 1Mtpa rate by 30 June 2011
- 3Mtpa to 5Mtpa when FMG expands its Chichester Hub – expected by mid-2012
- 20Mt committed to Henghou Industries (HK) Limited

## West Australian CID

- “*Bonnie Fines*” sinter blend improves sintering efficiency and productivity at steel mill
- Pisolite Fines similar to *Robe, Yandi, and Solomon*
- Low impurities, low ultra-fines, low moisture yielding excellent sintering performance

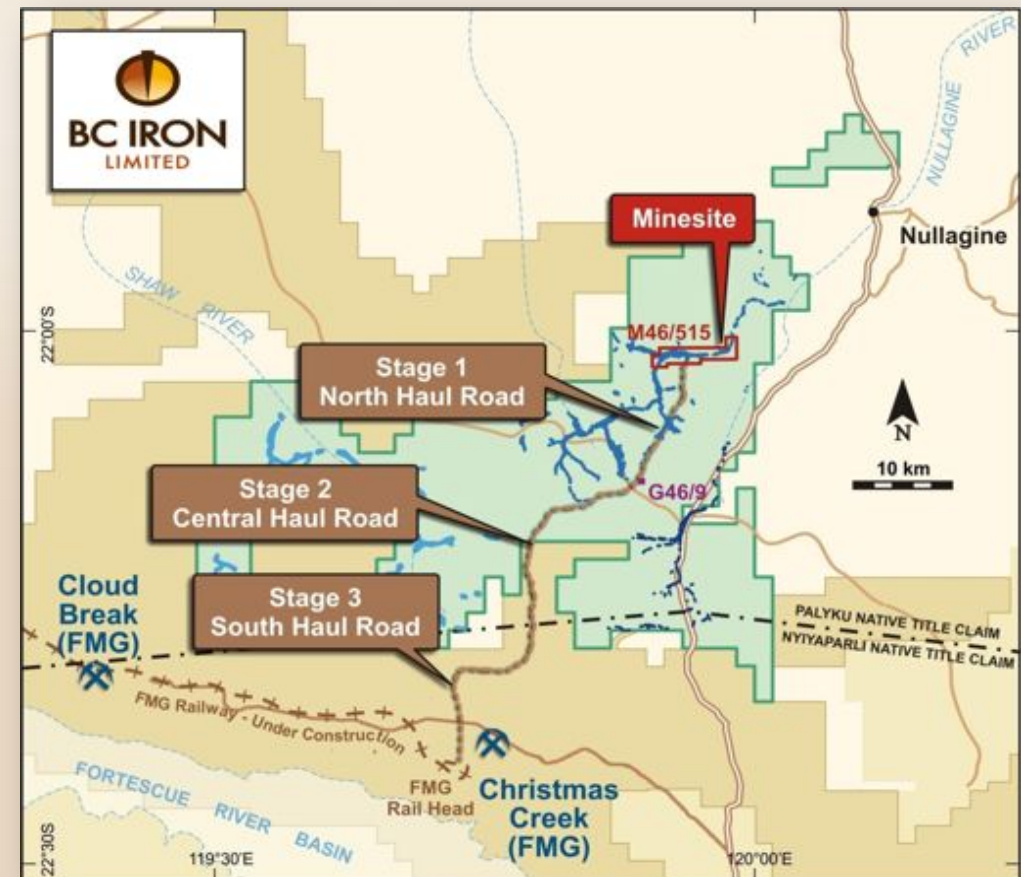
## Marketing & Pricing

- 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 an agreed discount based on Platts 62% Fe CFR



## Construction and mining update

- Mining commenced in November; each SM at full production >600 tph
- Crushing and screening circuit commissioned at 6,500 tonne per shift
- 55 km haul road construction complete in April/May
- Haulage currently using 75t road trains on private and public roads
- Haulage under construction with 360t road trains in April
- Second shipment expected this month
- PowerTrans units 6, 7 and 8 ordered & delivery by June 2012

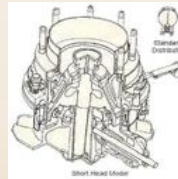
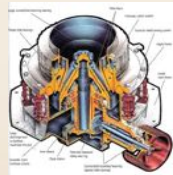
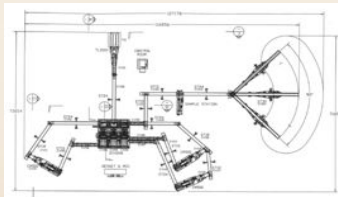




## Mining



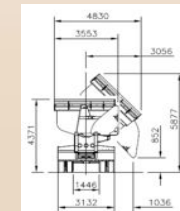
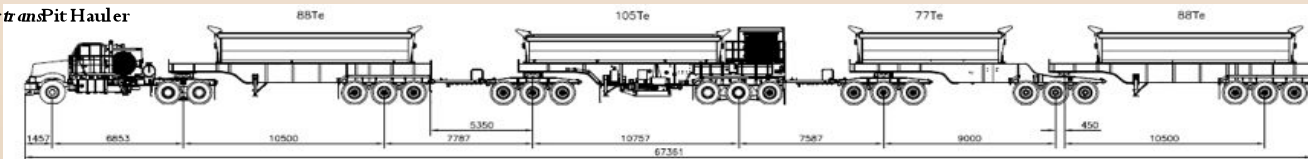
- Wirtgen 2500SM Surface Miner x 2
- CAT 777D Dump Trucks x 3
- CAT 992 FEL's x 2



## Crushing & Screening

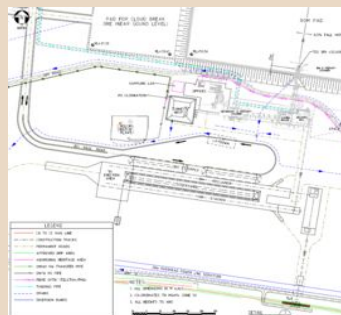
- Striker Crushing & Screening Plant
- TL 2000 Apron Feeder
- Three stage screening plant
- CM 500 Cone Crushers x 2
- Sampling Station
- 600 tonnes per hour

Powertrain Pit Hauler



## Road Haulage

•55 km private haul road •360 tonne Pay load



## Project Stockpile

## Rail



Christmas Creek

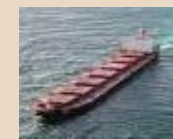
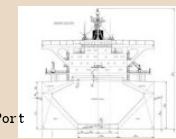
291 km

## Port



Herb Elliott Port  
Port Hedland

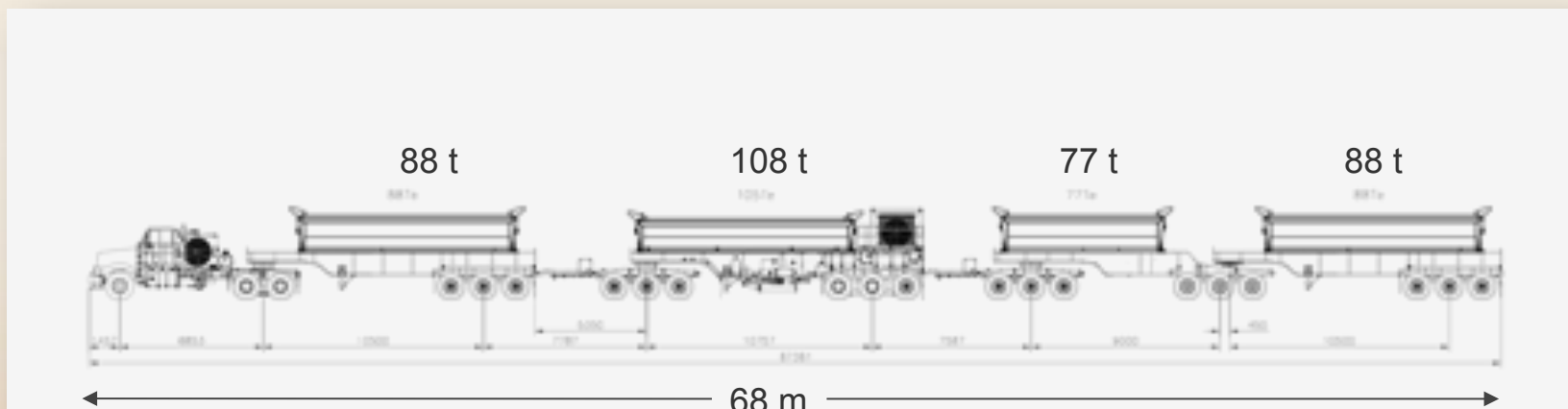
## Ship to Market



3.0 Mtpa  
in 2011

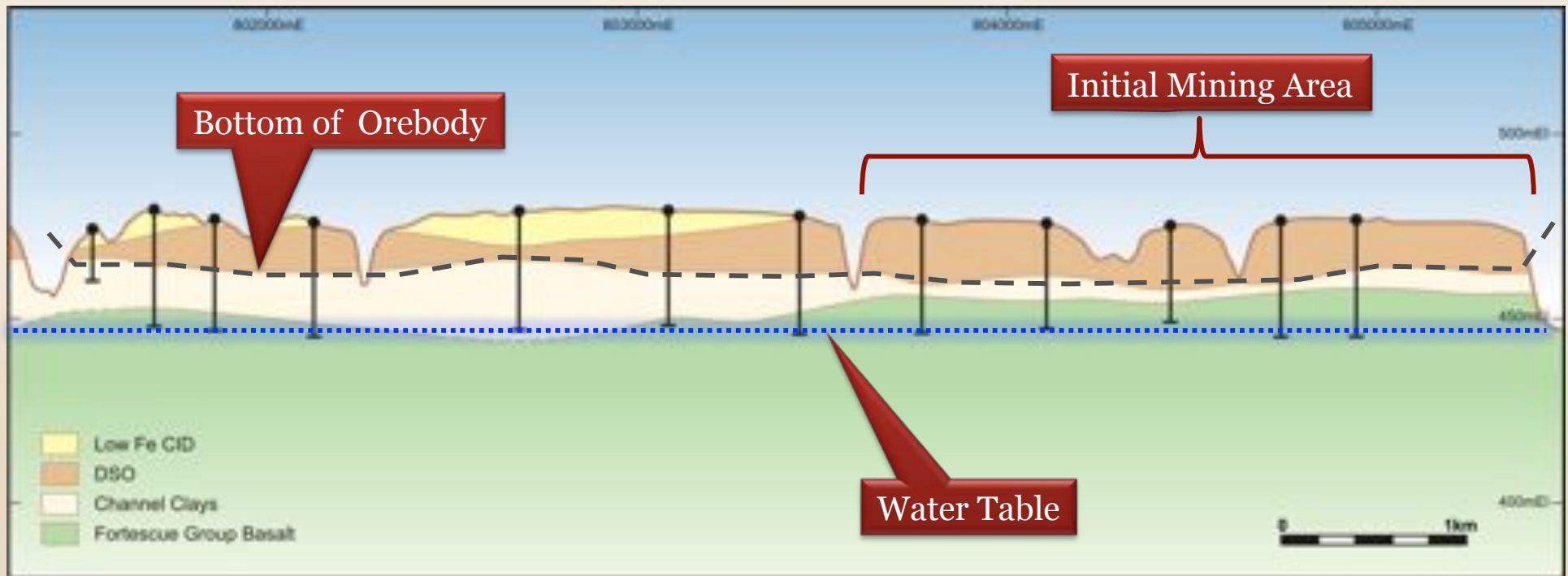
5.0 Mtpa  
in 2013







Outcamp mesa looking southwest. Initial mining occurs in the foreground.



- **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 <sub>2</sub> % | Al <sub>2</sub> O <sub>3</sub> % | P%          | S%          | LOI <sub>1000</sub> |
|--------------|-------------|-------------|-------------|--------------------|----------------------------------|-------------|-------------|---------------------|
| 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                |
| <b>TOTAL</b> | <b>35.6</b> | <b>56.9</b> | <b>64.7</b> | <b>3.23</b>        | <b>1.96</b>                      | <b>0.02</b> | <b>0.01</b> | <b>12.1</b>         |

### Total CID Resource Estimate

| Class        | Mt           | Fe%         | CaFe%       | SiO <sub>2</sub> % | Al <sub>2</sub> O <sub>3</sub> % | P%           | S%           | LOI <sub>1000</sub> |
|--------------|--------------|-------------|-------------|--------------------|----------------------------------|--------------|--------------|---------------------|
| 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                |
| <b>TOTAL</b> | <b>101.6</b> | <b>54.1</b> | <b>61.8</b> | <b>4.54</b>        | <b>3.23</b>                      | <b>0.017</b> | <b>0.015</b> | <b>12.4</b>         |

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

## Focus and delivery:

- ✓ Discovery 2007
- ✓ Feasibility 2009
- ✓ Producer 2011





Surface Miner operating at Outcamp

75t 'Triple' road train loaded at Outcamp.



'Triple' road train arrives at BCIN stockpile at Christmas Creek OPF.



'Triple' road train delivers ore at Christmas Creek OPF.

First ore on Train – Christmas Creek



First ore on Ship – Port Hedland



宁波恒厚集团首船普利粉接货仪式合影留念

中国宁波·2011年3月



First ore delivery to Hengzhou - China





This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events as of the time of the release of this document. 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.

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 not act and refrain from acting in reliance on this presentation material. 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.

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