

23 September 2011

Company Announcements Office
Australian Securities Exchange

BC Iron Limited (ASX:BCI)

Please find attached the Company Presentation that Managing Director, Mike Young will be presenting on Wednesday, 28 September at the RIU Resources Round Up in Melbourne.

The presentation includes the Company's updated Reserves & Resources Statement as at 30 June 2011.

Yours sincerely



Morgan Ball
Company Secretary



BC IRON LIMITED

Company Update

September 2011
Mike Young - CEO
Morgan Ball - CFO

Points of difference:

- Iron ore producer and exporter
 - Exports commenced in Feb 2011
 - Production rate at 3Mtpa during H2 CY2011
 - Ramp up to 5Mtpa by early CY2012
- Rail and Port infrastructure secure
 - Joint Venture with Fortescue Metals Group
 - Fortescue Chichester Hub to Port Hedland
- Quality product – “*Bonnie Fines*”
 - Direct Ship Ore – CID pisolite fines
 - Excellent sinter blend with low impurities
- Simple operation
 - Mine → crush → truck → rail → ship → \$\$\$





First drill hole, April 2007

2006 to 2011: Rapid Growth

- **2006** – Listing on Australian Securities Exchange
- **2007** – Discovery of DSO iron ore at Outcamp Well
- **2008-2009** – Drilling, Feasibility, JV with Fortescue
- **2010** – Construction and Mining commences
- **2011** – Iron ore exports commence



First ore on ship, February 2011

Board of Directors BC Iron



(L to R) David Coyne, Terry Ransted, Mike Young, Tony Kiernan and Glenn Baldwin. Absent: Andy Haslam

Mike Young, 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 Resources Ltd.

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

Glenn Baldwin, Non-exec Director – a mining engineer experienced in project assessment and development. Group CEO with Consolidated Minerals Ltd a >1.2 Mtpa Mn producer.

David Coyne, Alternate to Glenn Baldwin - 18 years commercial and financial experience in mining, oil & gas and steel making both in Australia and South East Asia. Currently CFO - Australia of Consolidated Minerals Ltd.

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

Andy Haslam, Non-exec Director – a mining engineer with 27 years operational and management experience. Most recently, Managing Director of ASX listed Territory Resources Ltd, a 2.0Mtpa producer of DSO lump and fines in the Northern Territory.

Code:	ASX:BCI
Shares	94.9 m
Unlisted Options	9.7 m
Fully Diluted	104.6 m
Market Cap fully diluted @ A\$2.30	~ A\$240 m
Gross Cash at June 2011	A\$17.5 m
	(BC Iron Limited A\$10.0 m)
	(NIOJV (50%) A\$7.5 m)
Debt as at June 2011	A\$22.5 m
EV as at June 2011	A\$245 m
Major shareholders:	
Consolidated Minerals	24.3%
Regent Pacific	22.9%
Directors	3.0%
Shareholding:	
Institutions ~ 40% (incl. Regent) / Other ~ 60%	
50% Australian / 50% Overseas	

Senior Management Team

Blair Duncan - Chief Operations Officer

Morgan Ball - Chief Financial Officer & Company Secretary

John McCarthy – Resident Manager

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

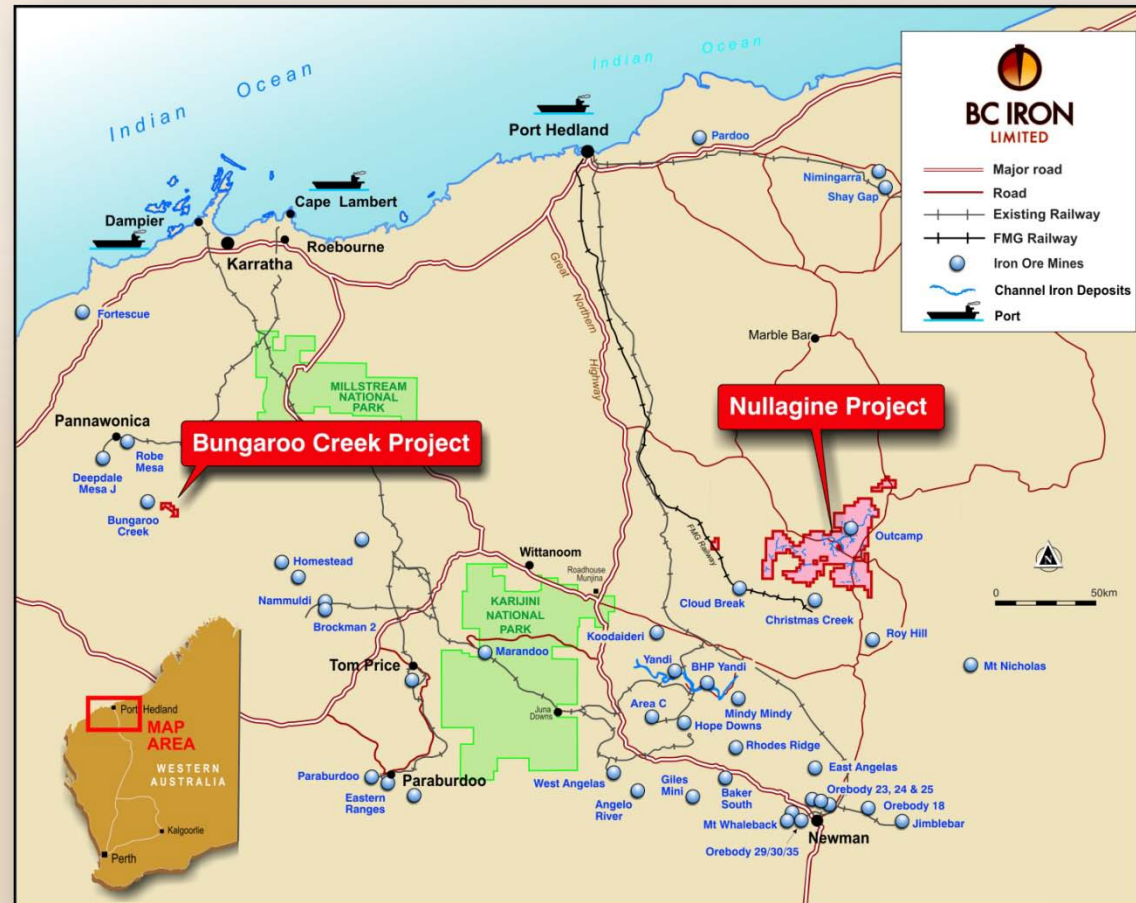
INTEGRITY - MINING - SUCCESS

Bungaroo Project (BCI 100%)

- Bungaroo near RIO Tinto's Bungaroo Creek & IOH's Buckland Hills
- CID mineralisation identified in 2010: drilling to begin in 2011 field season

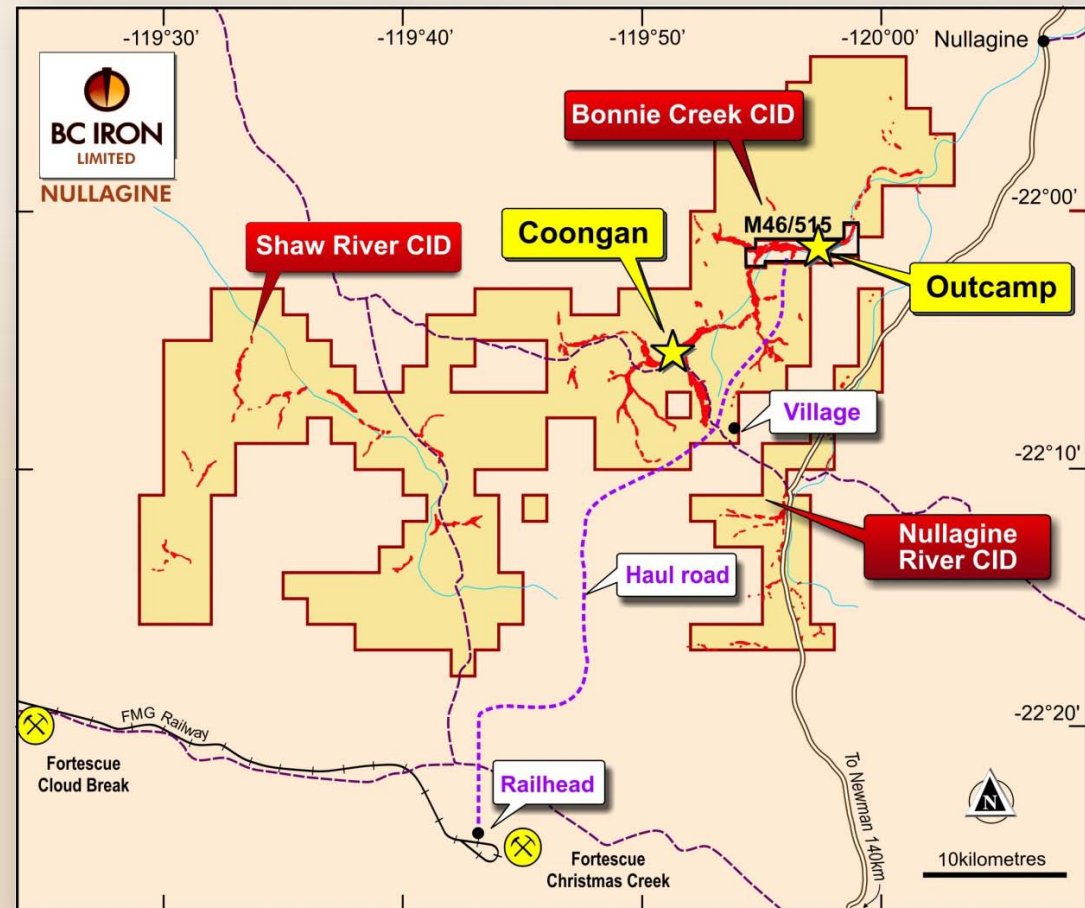
Nullagine Project (BCI 50%: FMG 50%)

- Operating iron ore mine - 3Mtpa to 5Mtpa
- Ore Reserve of 35Mt @ 57% Fe (65% CaFe)
- Mineral Resource of 103Mt @ 54% Fe (62% CaFe)
- Exploration target of 15 – 25Mt from exploration and beneficiation test work



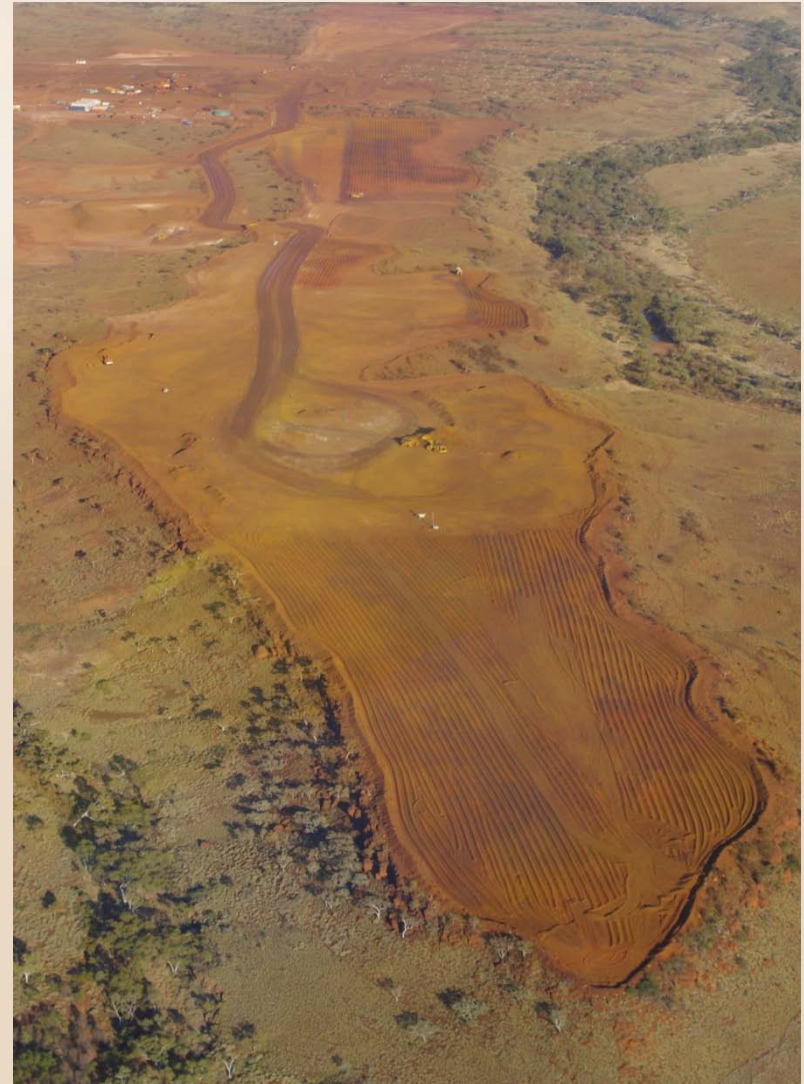
Nullagine Iron Ore Joint Venture (BCI 50%)

- Joint Venture with Fortescue (50:50)
- BC Iron operator and Manager of the Project
- BC Iron contracts TPI to provide rail & port services on a fixed price per tonne basis
- 50/50 share of revenue and costs
- Fortescue provides marketing services
- JV commits to production increase to 5Mtpa in early CY2012
- 55 km haul road construction base course complete – bitumen in Sept / Oct 2011

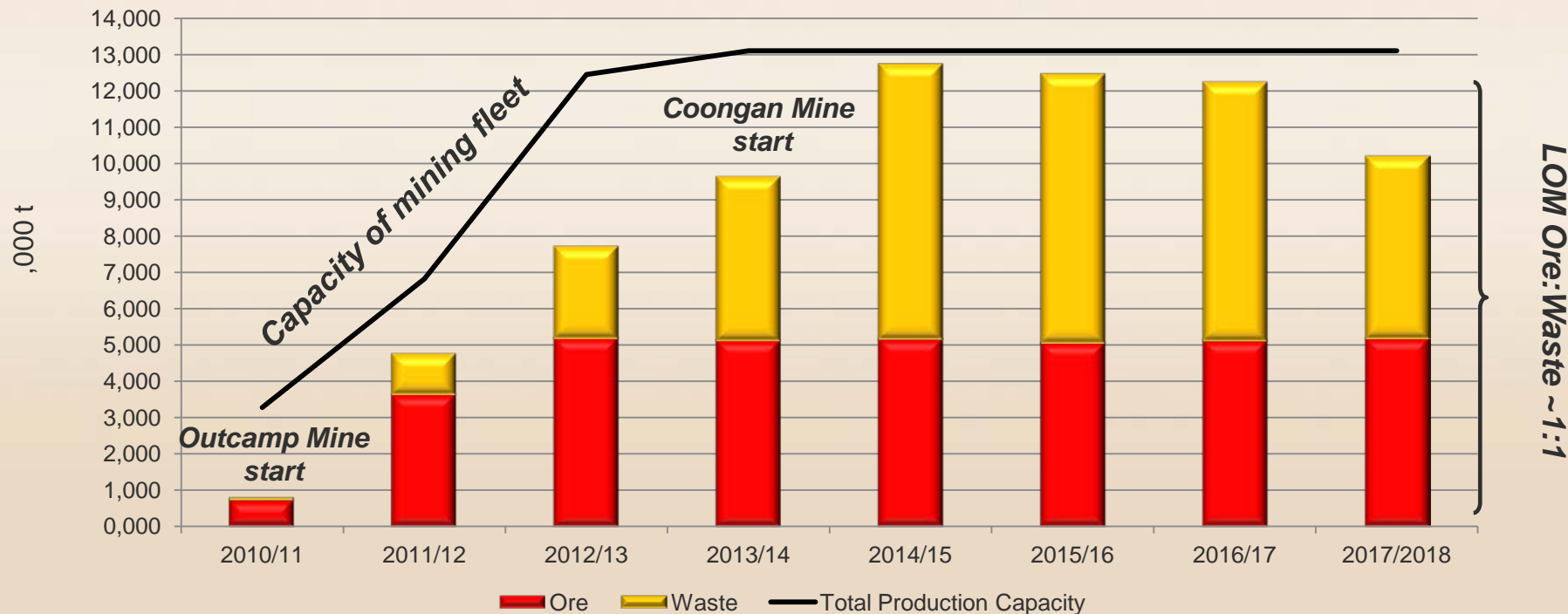


100% Project Metrics (BCI 50%)

- Mining Rates: ~3Mtpa in H2 - CY2011
~5Mtpa in H1 - CY2012
- Mine Life: 8 years + growth
- Deposit: CID on elevated mesas
- Mining: Wirtgen surface miners
(→ primary crushing)
- Crush/screen: Secondary crushing only
- Haulage: Triples and 360t Pit
Haulers on private road
- Rail & Port: Contract with TPI rail and
port via Port Hedland



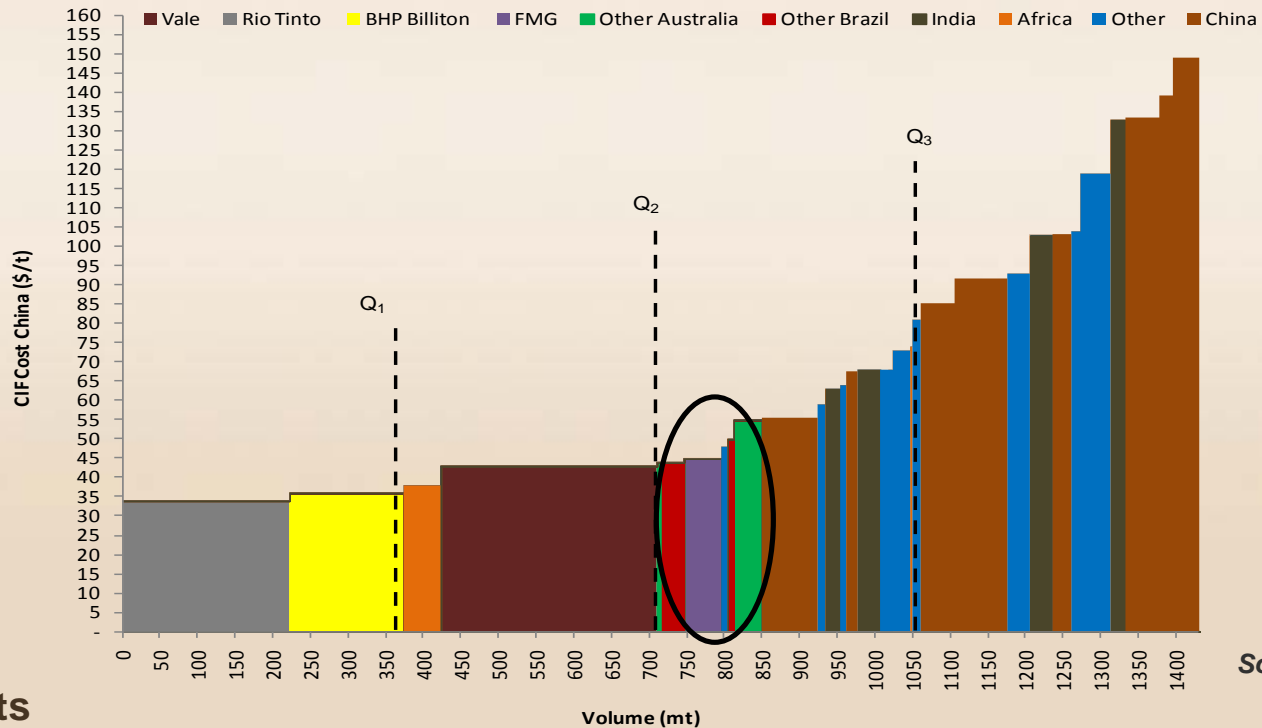
Ore Mined 2010 to 2018



Forecast production

- Expecting to be at a 5.0Mtpa rate during 1H CY2011 contingent on timely infrastructure development
- FMG Christmas Creek re-claimer commissioning on track – Oct/Nov 2011
- PowerTrans pit haulers 6, 7 and 8 ordered with delivery by early CY2012
- Circa 3.5Mt to be exported in FY11/12

Supply curve to Chinese market for iron ore fines



Source: Macquarie Research

Forecast costs

- Cash costs estimated to range from \$40 to \$45 per tonne over LOM – costs are mine to ship FOB
- Op. costs does not include State royalties, Aboriginal royalties, marketing and head office costs
- Contractor operation – minimal sustaining capital ~\$3m per annum

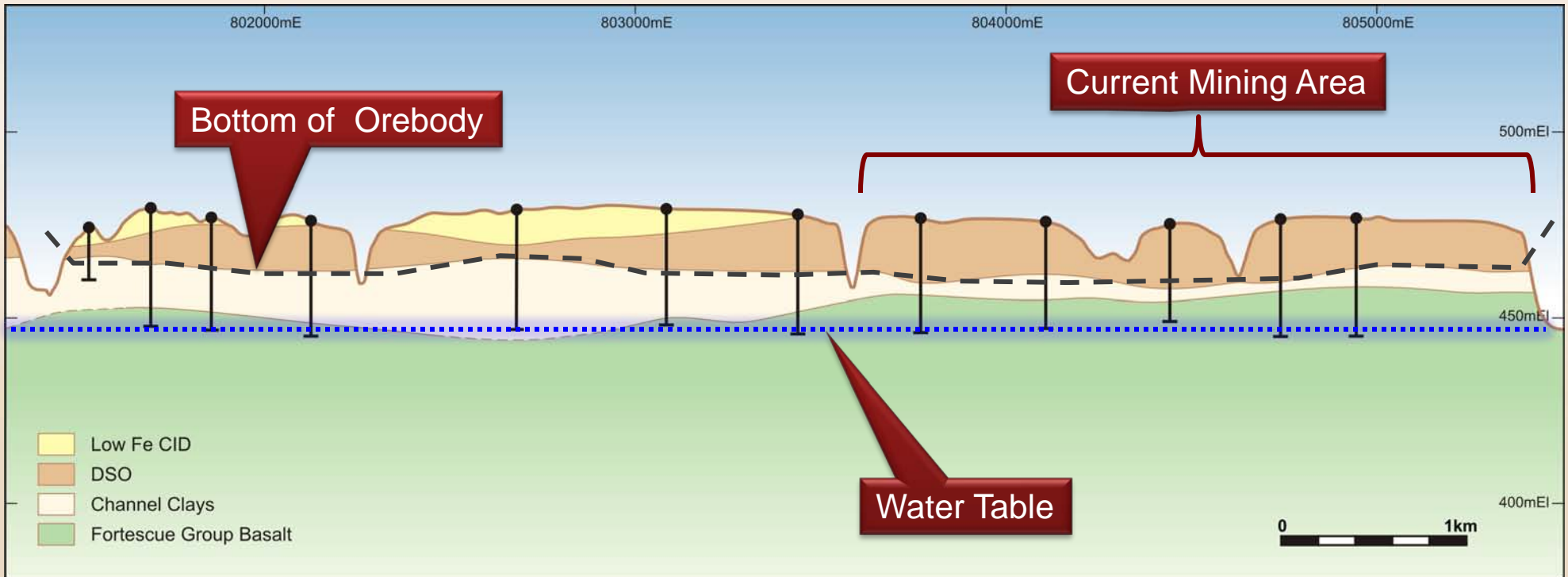
West Australian - Channel Iron Deposits

- “*Bonnie Fines*” pisolite sinter blend improves sintering productivity at the steel mill
- Low impurities, low ultra-fines, low moisture, and high calcined iron grade
- Sintering test work in China - Bonnie Fines substitute for existing high quality fines

Marketing & Pricing

- Fortescue provides marketing services to JV
- Uncommitted ore to be sold on the spot market – no discount
- ~50% production sold to Henghou at agreed discount
- Relationship with Fortescue provides flexibility in logistics, marketing and customers





- **Shallow “pits” using surface mining** – ore from start of operations
- **Above water table** - lower environmental impact, no wet ore.
- **Low Op. costs** - low strip ratio, use of surface miners, efficient crushing and screening



Wirtgen 2500SM Surface Miner

- Rotating drum cutter
- Provides primary crushing
- WATPAC owned & operated
- 2 units on site and 3rd ready for delivery
- 2.5 m x 200-400 mm cut
- 600 t per hour
- 3.5 Mtpa at 75% avail.

Surface Miner operating at Outcamp



Crushing & screening

- WATPAC owned & operated
- Semi-mobile
- Triple deck screen & 3 cone crushers
- 700 tph
- Radial stacker 20,000t
- ~4.0 Mtpa at 90% avail.
- Capacity to >5.0 Mtpa by simple upgrade via feed conveyors
- +1Mtpa 'sprint' capacity

WATPAC – Crushing and screening



PowerTrans Pit Haulers

- Toll Holdings owned and operated
- 3 units on site
- Final unit (8th) by early 2012
- 360 t payload - 512 t gross
- 2 x 760 hp engines
- 55km haul; 50 km/h
- 2,160 t per rig per day
- > 700,000tpa at 93% availability

Toll Holdings (formerly Mitchell West) Pit Haulers



Christmas Creek train loader loads BC Iron's first train, Feb 2011

Rail haulage & Port Services

- TPI - Fortescue
- Christmas Creek rail head
- Trains comprise 240 cars 2.7km long
- ~32,000t per train
- Herb Elliot Port, Port Hedland
- Dedicated stockpiles for JV ore at Christmas Creek and Port
- Access to all infrastructure for JV ore
- JV port stockpile capacity for Cape size ships

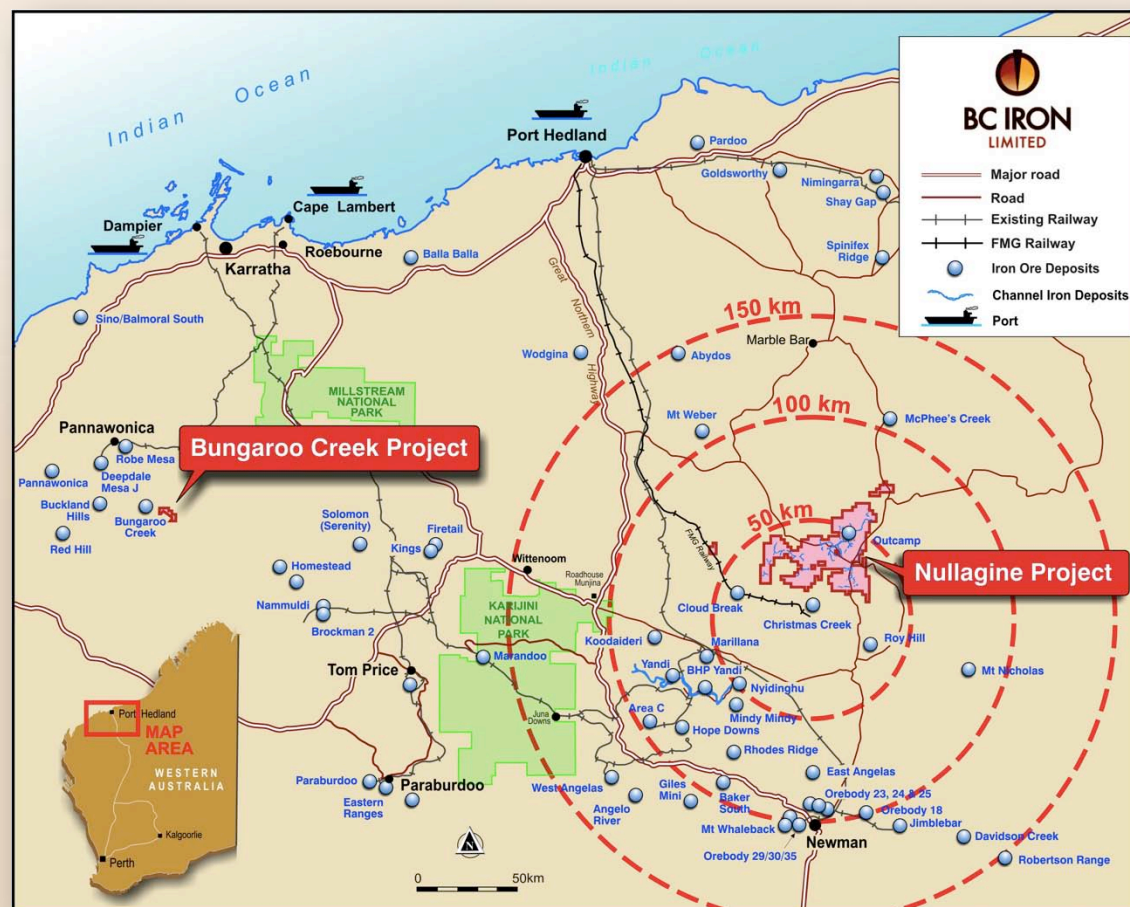
Targeted M & A

- Experienced Pilbara iron ore junior
- Developed partnerships - FMG, stakeholders, government

Commodity and geography

- Short term – SE Pilbara
- Long term – Pilbara, Australia, Sth America, Africa
- Active in bulks (Fe, coal, Mn, etc)

Production → Growth



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 Mineral Resource Estimate at Outcamp, Warrigal, and Coongan has been compiled by Mr Richard Gaze who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates, and Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron. The resources were first reported on the ASX on 2 April 2009. The Outcamp resource estimate has been updated as of June 30, 2011 by BC Iron to account for mining which commenced in November 2010. 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, Dandy and Shaw River has been compiled by Mr Gregory Hudson who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron, and Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron. The Bonnie East resources were first reported on the ASX on 2 April 2009, the Shaw River resources were first reported on the ASX on 30 July 2010, and the Dandy resources were first reported on the ASX on 20 September 2011. Both Mr Young and Mr Hudson 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 Hudson and Mr Young consent to the inclusion of 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. Mr Duncan 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 Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duncan consents to the inclusion of his name in the matters based on his information in the form and context in which it appears.

Ore reserves and mineral resource estimates are presented following this page.

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.

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.

June 2011 – Reserves and Resources Statement

Probable Ore Reserves

Pit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Outcamp	18.3	56.8	64.7	1.92	3.17	0.014	0.010	12.2
Warrigal	10.4	57.0	64.6	2.14	3.68	0.022	0.013	11.7
Coongan	6.0	57.0	65.0	1.84	2.54	0.011	0.012	12.4
TOTAL	34.7	56.9	64.7	1.97	3.21	0.016	0.011	12.1

Total CID Resource Estimate

Class	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Measured	1.8	54.1	61.6	3.98	5.08	0.020	0.018	12.3
Indicated	68.1	53.9	61.8	3.09	4.48	0.017	0.011	12.7
Inferred	32.9	54.5	61.8	4.58	3.86	0.019	0.018	11.9
TOTAL	102.9	54.1	61.8	3.58	4.29	0.018	0.014	12.4

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



BC IRON LIMITED
Producing iron ore, Producing value

Level 1, 15 Rheola Street
West Perth, WA, Australia
Phone : +61 8 6311 3400
email : info@bciron.com.au
www.bciron.com.au