



AJM Global Iron Ore and Steel Forecast Company Update

March 2012

Mike Young – Managing Director

BC Iron is an iron ore producer and exporter

Points of difference

- Focused on development since 2007
- Exports commenced in Feb 2011
- NJV current production rate at >3Mtpa
- Ramp up to 5Mtpa during 1H 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 → \$\$\$



Mining & Crushing

- Mining now at > 3mtpa
- 3 surface miners operating
- Crusher at ~ 4Mtpa
- Expansion to >5Mtpa H1 CY12

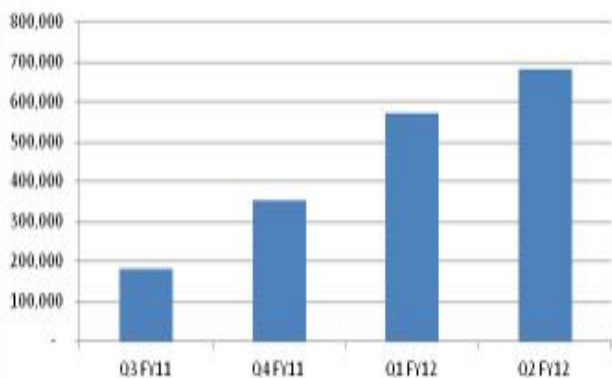
Truck & Rail Haulage

- 5 PowerTrans units on site
- Haulage now at ~ 4.5Mtpa
- 8 PowerTrans by end 1H CY12
- First junior in the Pilbara to access 3rd Party rail

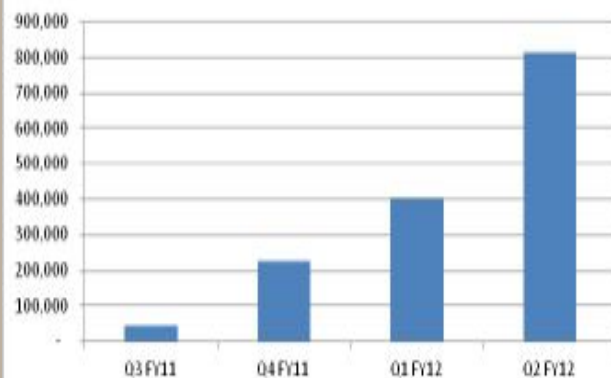
Shipping & Marketing

- First full cape size ship Nov 11
- 1.1Mt shipped 1H FY2012
- FMG markets *Bonnie Fines* to a very broad customer base
- Good feedback on low P, high CaFe sintering ore

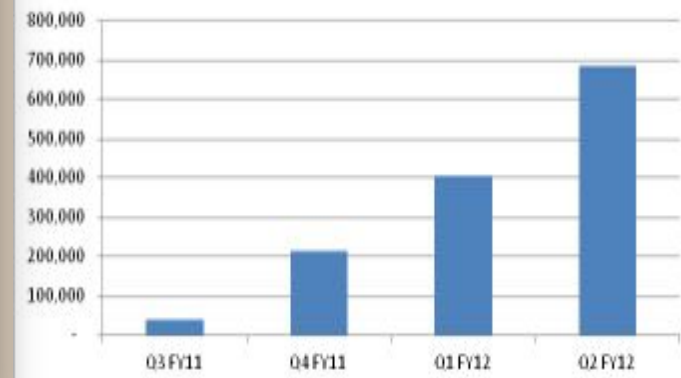
Mined (wmt)



Railed (wmt)



Shipped (wmt)



2011 - Milestone year for BC Iron

- ✓ Feb – First Ore on Ship from Port Hedland
- ✓ Aug to Oct – ore haulage starts to Christmas Creek
 - 360t Power Trans Pit Haulers
 - 55km private, sealed haul road
- ✓ Nov – achieved **>3Mtpa production rate**
- ✓ Nov – commenced full cape size vessel shipments (~170,000t) of Bonnie Fines
- ✓ Dec – **1.1Mt exports in 1H FY2012**
- ✓ Dec – Dec quarter first positive cashflow from operations
- ❑ 2012 – Continue Ramp up to 5Mtpa



FMG Christmas Creek – Bucket wheel re-claimer



Toll Powertrans Rig on private haul road

- Commencement of Cape size shipments during November 2011
- Surpassed guidance of 1Mt for 1H FY12 and production rate of 3Mtpa
- First positive cashflow quarter – December 2011
- Net profit before tax for 6 months to 31 Dec 11 ~ \$9M

BC Iron - Half Year ended 31 December 2011 (\$M)	Dec 2011	Dec 2010	%
Revenue	65.2	2.7	2,315%
EBITDA	12.2	0.5	2,340%
Net Profit before tax	8.9	0.7	1,171%
Net Debt / (Cash)	(14.8)	(20.9)	(29%)
Cash Balance	35.6	39.7	(10%)

Half Year ended 31 December 2011 (\$m)	Dec 2011	Dec 2010	%	June 2011
NIOJV (100%)				
Tonnes Shipped (millions – wmt)	1.1	-	N/A	0.3
Average CFR Price (\$USD/dmt)	\$125	-	N/A	\$161
BC IRON				
Revenue	65.2	2.7	2,315%	
EBITDA	12.2	0.5	2,340%	
Depreciation & Amortisation	2.6	0.1	3,614%	
Net Profit before Tax	8.9	0.7	1,171%	
Profit after Tax*	5.5	1.2	358%	
EPS	5.74	1.48	287%	
Return on Shareholders Funds (%)	7.3%	1.9%	284%	

* Note: Income Tax Expense relates to movement in the Group's deferred tax assets and liabilities and does not reflect a current tax liability.



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
- **2011** – Maiden profit



First ore on ship, February 2011

Code:	ASX:BCI
Shares	103.9 m
Unlisted Options	1.2 m
Performance Rights	0.2 m
Fully Diluted	<u>105.3 m</u>
Market Cap - fully diluted @ A\$3.00	~ A\$315 m
Gross Cash at 31 Dec 2011	A\$35.6 m
	(BC Iron Limited A\$23.2 m)
	(NIOJV (50%) A\$12.4 m)
Debt as at 31 Dec 2011	A\$25.5 m
EV as at 31 Dec 2011 @ \$2.85	~ A\$285 m

Major shareholders:

Consolidated Minerals	23.9%
Regent Pacific	21.9%
Henghou Industries	9.9%
Directors	2.6%

Shareholding:

Institutions ~ 45% (incl. Regent) / Other ~ 55%
 50% Australian / 50% Overseas

Management Team

Blair Duncan - Chief Operating Officer

John McCarthy – Resident Manager

Robert Williams – Technical Services Manager

Peter Powell – Business Development Manager

Gerry Bradley – Sustainability Manager

Katherine Martin – Human Resources Manager

Paul Hogan – Exploration 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

Board of Directors BC Iron



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.



Mike Young, MD and CEO – a resource geologist with extensive experience in resource definition and feasibility in variety of commodities including gold, copper, uranium and iron ore. Chairman of Cassini Resources Limited.



Morgan Ball, Finance Director - a Chartered Accountant with over 20 years of Australian and international experience in the resources, logistics and finance industries. He has held various senior finance and commercial roles in both public and private companies.



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.



Malcolm McComas, Non-exec Director - experienced company director and investment banker. More than 25 years of investment banking experience in equity and debt finance, acquisitions, divestments and privatisations. He is also a former commercial lawyer. Mr McComas is the principal of McComas Capital and a senior adviser to Austock Corporate Finance.

Bungaroo Project (BCI 100%)

- Bungaroo near RIO Tinto's Bungaroo Creek & IOH's Buckland Hills
- CID mineralisation identified in 2010: drilling complete – pending assays

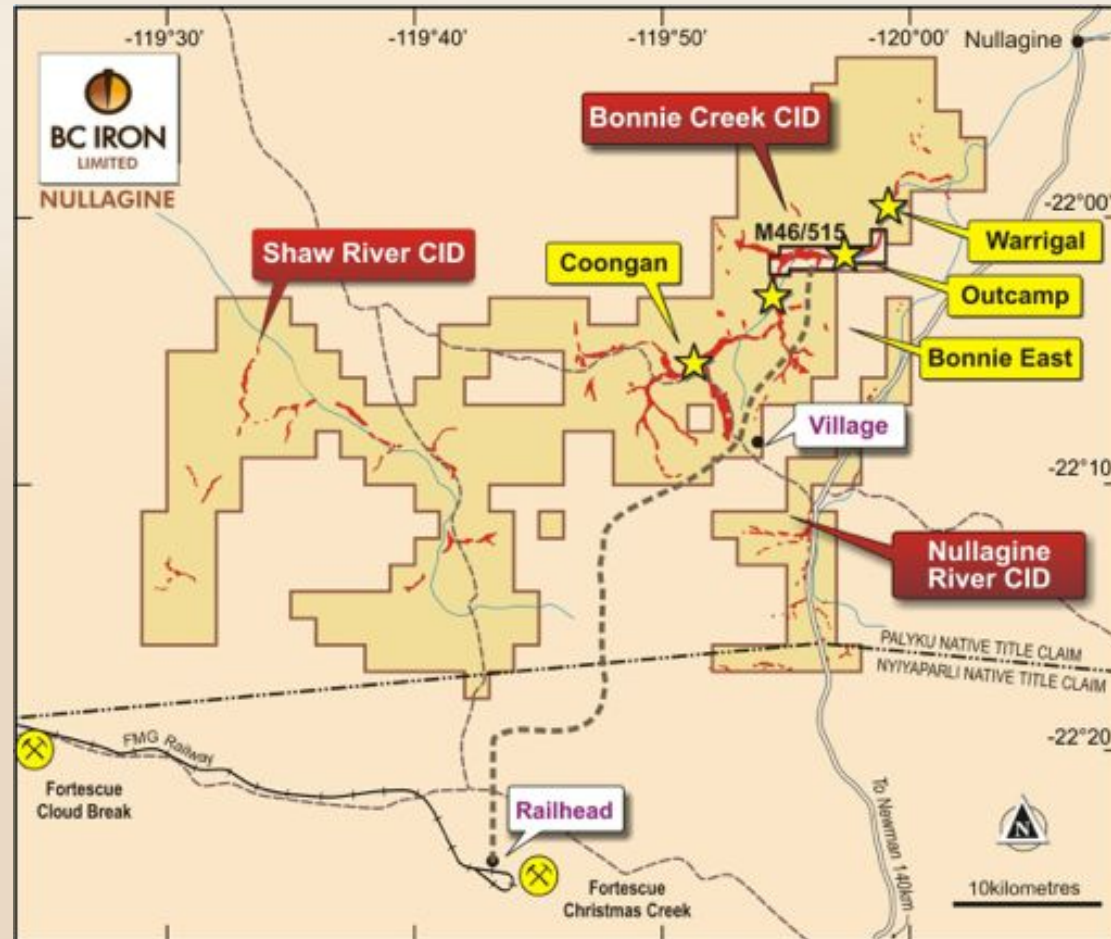
Nullagine Project (BCI 50%: FMG 50%)

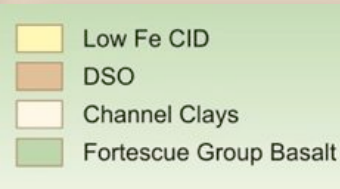
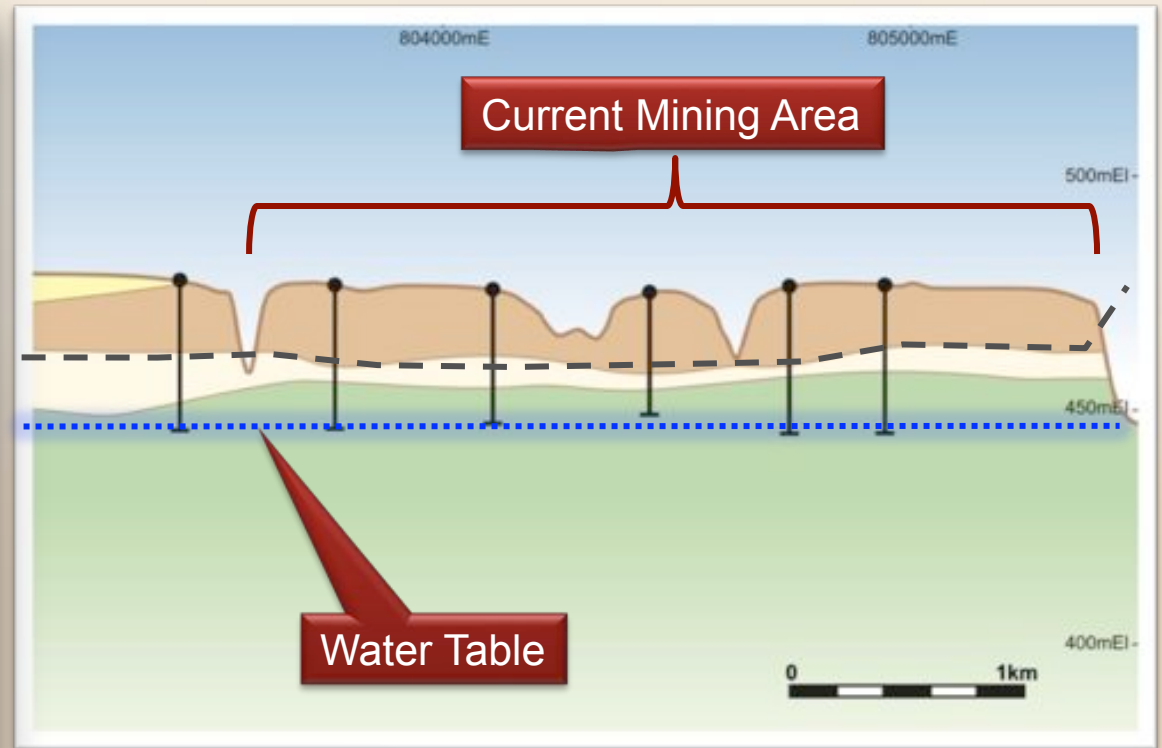
- Operating iron ore mine
- At >3Mtpa moving to 5Mtpa
- Ore Reserve of 35Mt @ 57% Fe (65% CaFe)
- Mineral Resource of 103Mt @ 54% Fe (62% CaFe)
- Expect to extend mine life through resource upgrade and BBSO



Nullagine Joint Venture (BCI 50%)

- Joint Venture with Fortescue (50:50)
- BC Iron operator and Manager of the Nullagine JV Project
- Contract mining, haulage and rail
- 50/50 share of revenue and costs
- Mine centres at Outcamp, Warrigal, Coongan and Bonnie East
- 55 km sealed, private haul road provides significant advantages (*ie. Only 24 h downtime after TC Lua*)
- Fortescue provides marketing services





- **Shallow “pits”** using surface mining – ore from start of operations
- **Above water table** - lower environmental impact, no wet ore.

**Mining panels with
Surface Miners**

Mined material in stocks



Wirtgen & Vermeer Surface Miners

- WATPAC Mining
- Rotating drum cutter – no drill & blast
- Provides primary crushing
- 4 units on site – spare capacity





Crushing & screening

- WATPAC Mining
- Currently at ~4.0 Mtpa
- Capacity moving to >5 Mtpa 4Q FY12
- Upgrade will provide 1mtpa 'sprint' capacity

PowerTrans Pit Haulers

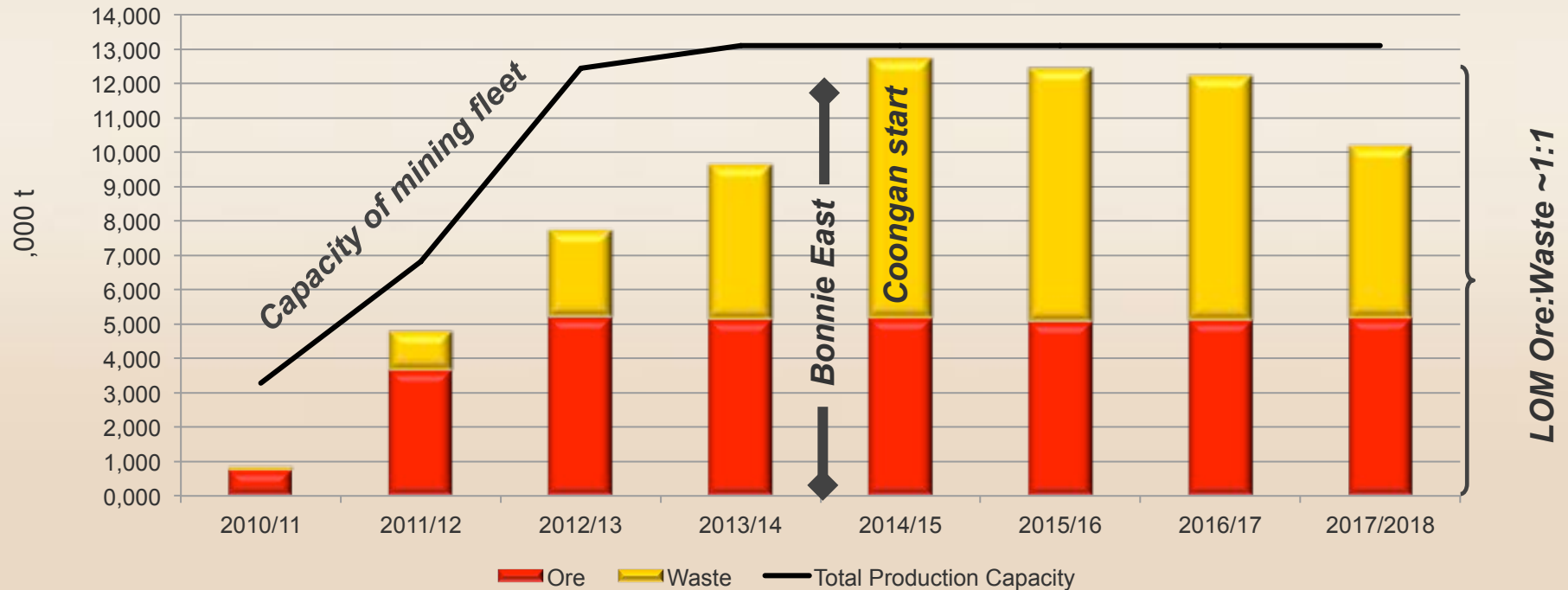
- Toll Holdings
- 5 units on site moving to 8 units by June 2012
- 360 t payload - 512 t gross
- > 700,000tpa at 93% availability



Rail haulage & Port Services

- TPI - Fortescue
- Christmas Creek rail head
- ~32,000t per train
- Dedicated stockpiles at Christmas Creek and Port

Ore Mined 2010 to 2018



Forecast production

- Production capacity rate expected to reach 5Mtpa by June 30, 2012
- Circa 3.5Mt to be exported in FY11/12
- Bonnie East mining study may positively impact schedule

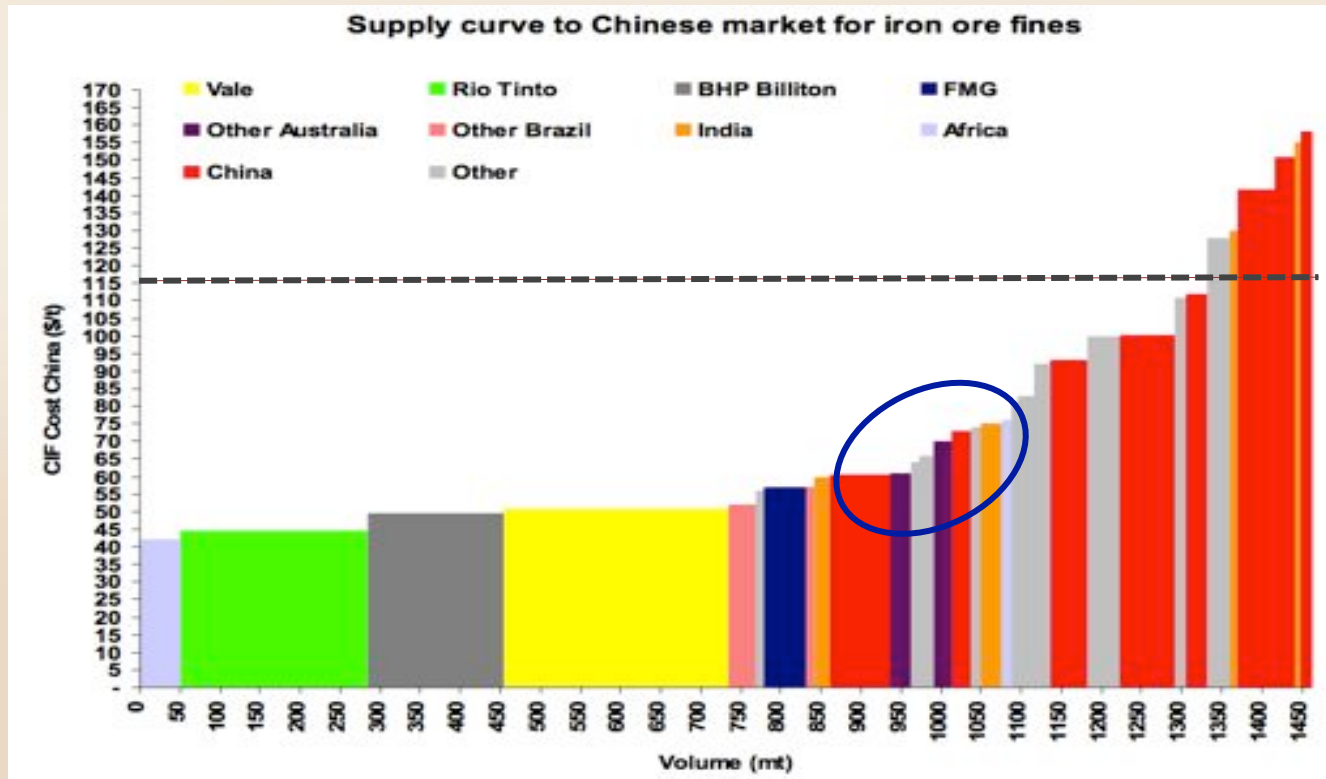
West Australian - Channel Iron Deposits

- “*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 substitutes for existing high quality fines

Marketing & Pricing

- Fortescue provides marketing services to JV
- Uncommitted ore to be sold at prices in line with the Platts Index CFR62
- 20mt LOM production committed to Henghou at agreed discount to Platts Index CFR62
- Relationship with Fortescue provides strong support in logistics, marketing and customers





Lowest Price
28-Oct-2011

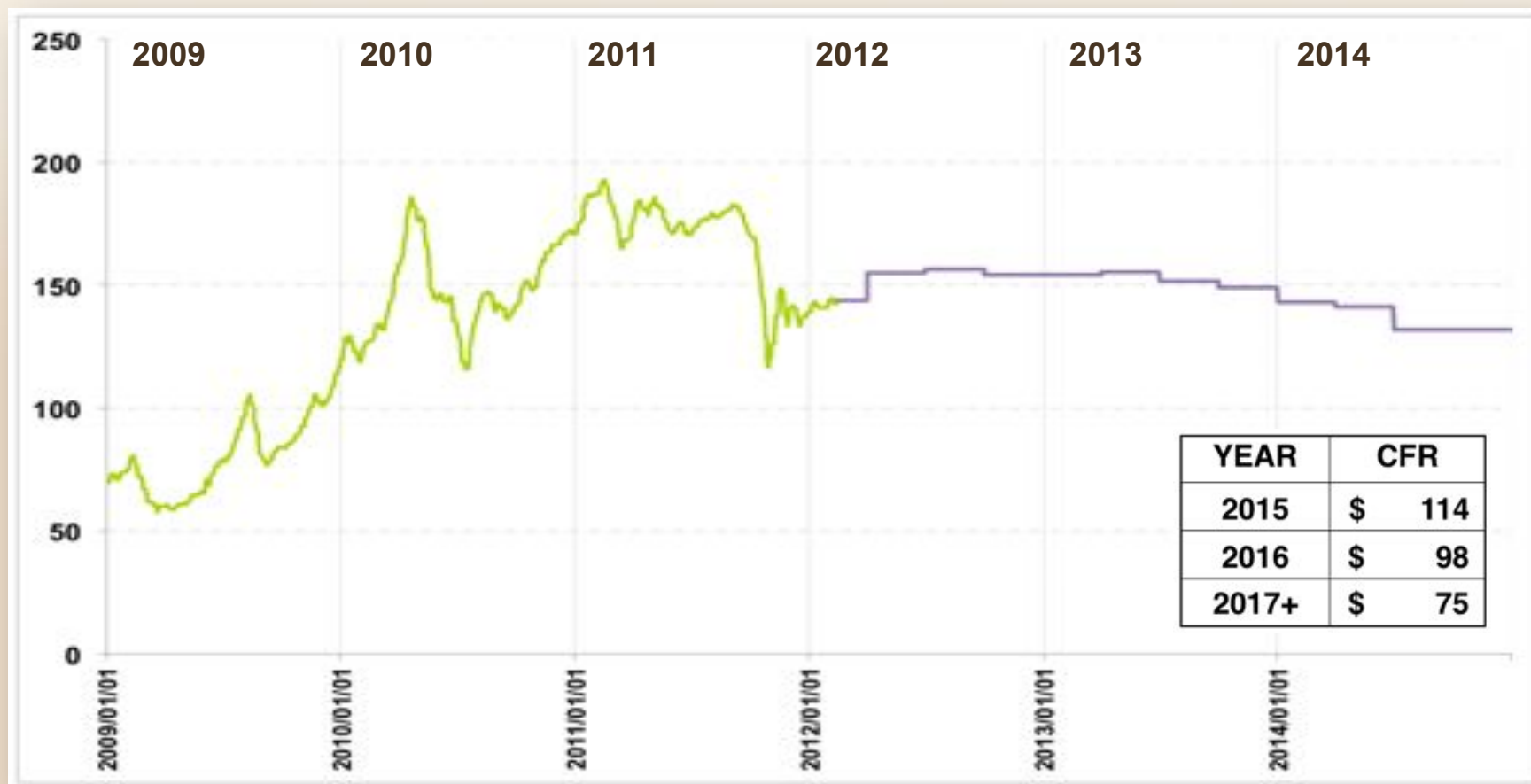
Source: Macquarie Research

Forecast costs

- FOB cash costs at site estimated to be mid-\$40s per tonne over LOM - varies with waste/ore ratio
- Cash costs excludes State royalties, Aboriginal royalties, marketing and head office costs
- Contractor operation – minimal sustaining capital ~\$3-5m per annum

Iron historical prices and forecast

- CFR62% Fe Tianjin Spot
- *Forward consensus Jan 2012*



An experienced iron ore miner....

- A Pilbara iron ore miner
- Rapid development history
- Focused on development & production
- Established partnerships - FMG, stakeholders, government

.....Bringing experience to growth

- Maximising existing resources at Nullagine
- DSO hematite, BBSO hematite
- Priority – Pilbara & WA
- Strategic – Australia, Africa, North & South America



Table 1: Ore Reserve Estimate by Deposit – NJV (BC Iron 50%, Fortescue 50%)

Deposit	Probable Ore Reserves by Deposit							
	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
Coongan	6.0	57.0	65.0	1.84	2.54	0.011	0.012	12.4
Warrigal	10.4	57.0	64.6	2.14	3.68	0.022	0.013	11.7
Total	34.7	56.9	64.7	1.97	3.21	0.016	0.011	12.1

Table 2: Combined Mineral Resource Estimate for 57% Fe DSO by Deposit – NJV (BC Iron 50%, Fortescue 50%)

Deposit	DSO Mineral Resources by Deposit							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Outcamp	19.5	56.9	64.8	2.03	3.07	0.014	0.010	12.1
Warrigal	14.4	57.0	64.5	2.29	3.64	0.023	0.013	11.6
Coongan	7.6	57.0	65.1	1.87	2.47	0.011	0.012	12.4
Bonnie East	8.6	56.8	64.7	3.33	2.08	0.014	0.009	12.2
Shaw River: Gap 11	2.8	57.1	63.4	2.88	4.79	0.021	0.029	10.1
Total DSO	52.9	57.0	64.7	2.33	3.07	0.016	0.012	11.9

Table 3: Combined CID Mineral Resource Estimate by Deposit – NJV (BC Iron 50%, Fortescue 50%)

Deposit	CID Mineral Resources by Deposit							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Outcamp	37.9	53.8	61.8	2.83	4.44	0.015	0.010	12.9
Warrigal	23.4	54.5	62.0	3.46	4.73	0.024	0.013	12.0
Coongan	12.8	53.4	61.5	3.24	4.23	0.013	0.013	13.1
Bonnie East	12.6	55.0	62.9	4.17	2.72	0.016	0.010	12.5
Dandy	2.1	53.7	60.2	6.01	5.28	0.023	0.020	10.8
Shaw River	14.0	54.4	61.2	5.12	4.36	0.021	0.027	11.2
Total CID	102.9	54.1	61.8	3.57	4.28	0.018	0.014	12.4

Table 4: Combined Mineral Resource Estimate for 57% Fe DSO by Classification – NJV (BC Iron 50%, Fortescue 50%)

Classification	DSO Mineral Resources by Classification							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Measured	1.4	56.9	64.7	2.23	3.36	0.019	0.016	12.1
Indicated	38.0	57.0	64.8	2.09	3.14	0.016	0.011	12.0
Inferred	13.5	56.9	64.4	3.03	2.85	0.017	0.014	11.7
Total DSO	52.9	57.0	64.7	2.33	3.07	0.016	0.012	11.9

Table 5: Combined CID Mineral Resource Estimate by Classification – NJV (BC Iron 50%, Fortescue 50%)

Classification	CID Mineral Resources by Classification							
	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 CID	102.9	54.1	61.8	3.58	4.29	0.018	0.014	12.4

LOI = Loss on ignition at 1000°C

Calcined Fe (CaFe) = Fe% / (100 - LOI%) * 100

The CID Mineral Resource is reported using a 45% Fe cut-off grade.

The DSO Mineral Resources is reported using cut-off grades between 53% and 56% Fe. The cut-off grades were selected to achieve a 57% Fe specification grade.

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 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. 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 Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Young consents to the inclusion of his name in the matters based on his 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 prior to 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.

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