

25 June 2012

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 during the BCI East Coast Road Show of Tuesday 26 to Thursday 28 June 2012.

Regards



Linda Edge
Company Secretary



Company Update

June 2012

June 2012

Mike Young – Managing Director

Morgan Ball – Finance Director

BC Iron is an iron ore mining company

Points of difference

- ❖ Focused on development since 1H 2007:
 - Production at 'steady state' at 5Mtpa
- ❖ Joint Venture with Fortescue Metals Group
- ❖ Quality product – “*Bonnie Fines*”
 - Direct Ship Ore – CID pisolite fines
 - Mine → crush → truck → rail → ship → \$\$\$
- ❖ Capital Management – strong cash flow enables options for shareholder benefits as well as working capital and growth requirements
- ❖ “*Getting into cash flow is the path to growth.*”

BC Iron presentation: July 2008



Shareholders

Consolidated Minerals	23.9%
Regent Pacific	23.0%
Henghou Ningbo	9.9%
BC Iron Directors	2.6%
Institutions	21.1%
Top 20	77.0%

Capital Structure

Ordinary Shares	103.9m
Market Cap at \$2.50	\$259.8m
Cash as at 30 March 2012	\$52.5m
Debt	\$19.6m
Enterprise Value	\$240m
Options, Performance Rights	1.7m

BC Iron share price (red) vs ASX300 (blue) past 12 months



Board of Directors



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.



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.



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 and Co-Patron of St Bartholomew's Foundation.



Andy Haslam, Non-exec Director – a mining engineer with 27 years operational and management experience. Currently General Manager – Iron Ore Operations of Mineral Resources Ltd. Prior to this he was Managing Director of ASX listed Territory Resources, a 2.0Mtpa producer of DSO lump and fines in the Northern Territory.



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.



Malcolm McComas, Non-exec Director - experienced company director and investment banker. More than 25 years of investment banking experience. Mr McComas is the Chairman of FINSIA, NED of Pharmaxis, Ocean Capital & ALLG and a Senior Advisor to the OctaPhillip Group. He was recently appointed to the board of Consolidated Minerals Limited.



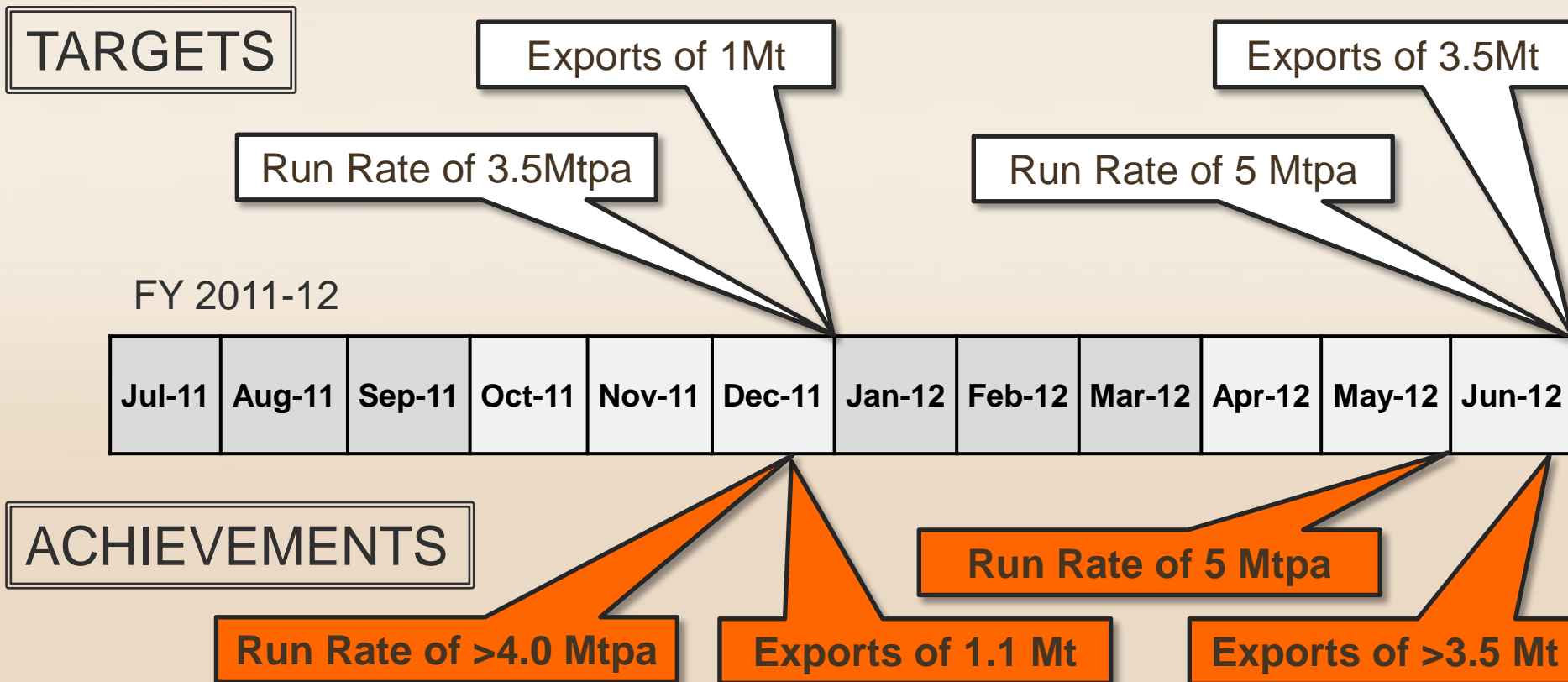
First drill hole, April 2007

2006 to 2012: Rapid Growth

- **2006** – Listing on ASX
- **2007** – Discovery of DSO iron ore at Outcamp Well
- **2008-2009** – Drilling, Feasibility, JV with FMG
- **2010** – Construction and Mining commences
- **2011** – Iron ore exports commence & maiden profit
- **2012** – Ramp up to 5Mtpa achieved ahead of schedule



First ore on ship, February 2011



Significant Mine Life increase during FY 2012

- Ore Reserve increased to 42.4Mt @ 57% Fe– an increase of 22%

Nullagine Iron Ore Project

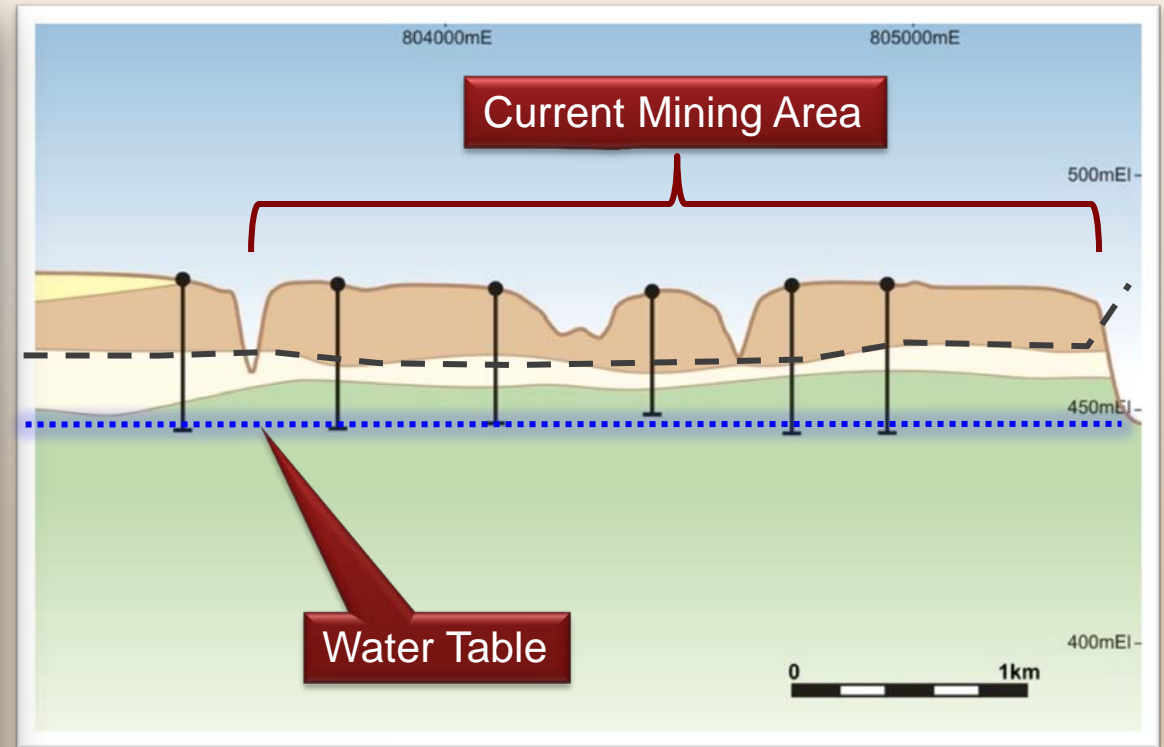
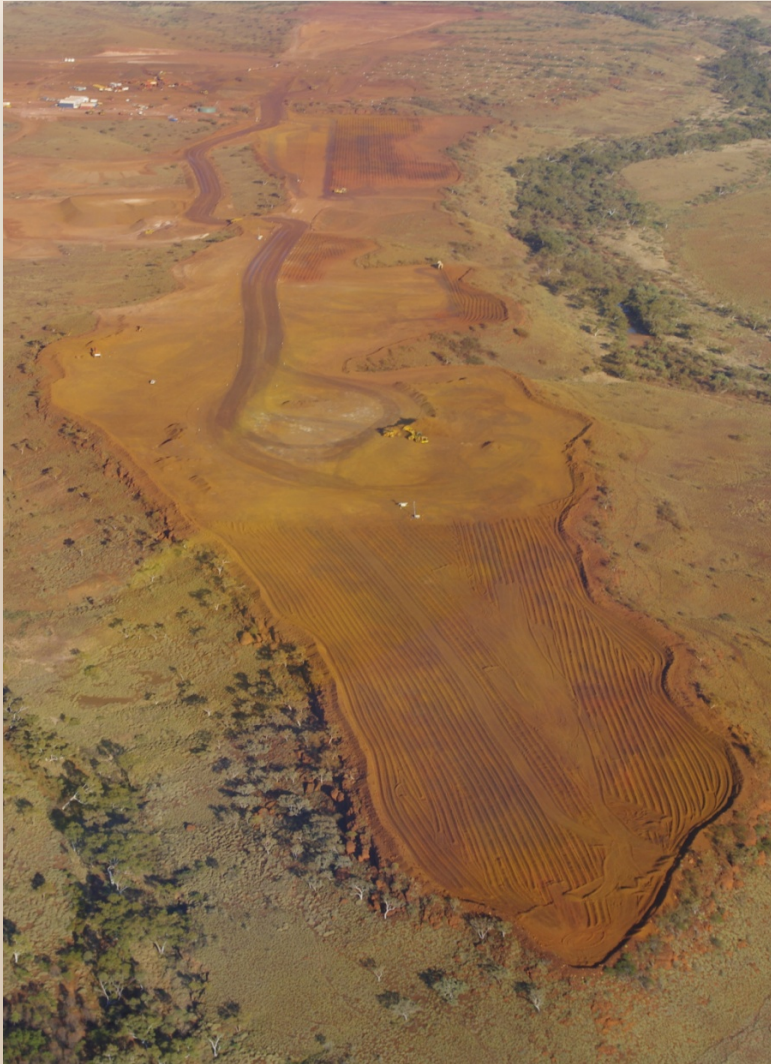
- Joint Venture with Fortescue (50:50)
- The Project is located 55 km north of Fortescue's Christmas Creek (CC) Operations
- Ore is trucked to CC, then railed to Port Hedland for export via Fortescue's port infrastructure
- Mineral Resource of 106Mt @ 54% Fe (62% CaFe)
- Ore Reserves 42Mt @ 57% Fe (65% CaFe)



Nullagine Joint Venture

- BC Iron is the operator and Manager of the JV
- 50/50 share of revenue and costs
- Contract mining, haulage, rail & port
- Fortescue provide marketing services
- Ramp-up complete → all activities now at “steady state”
- Expect to extend mine life through resource upgrades and BBSO work





- **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

- Rotating drum cutters – no drill & blast
- Provides primary crushing
- Surface results in reduced equipment wear
- 5 units on site – spare capacity





WATPAC Mining - Crushing & screening

- Currently at >5.0 Mtpa
- 2 Vermeer & 3 Wirtgen surface miners
- Further mill upgrade will provide up to 1mtpa additional 'sprint' capacity in Q1 FY2013

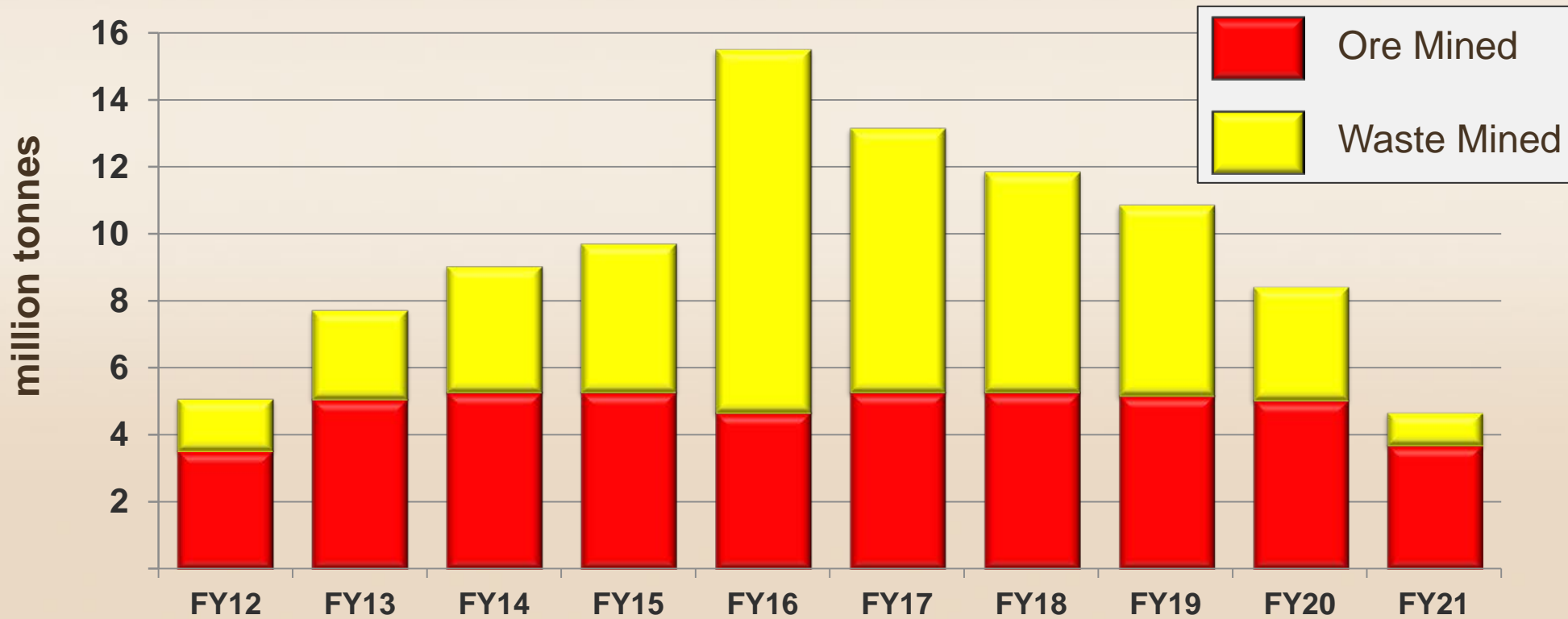


Toll Holdings - PowerTrans Pit Haulers

- 55 km dedicated bitumen haul road
- 8 units on site – total complement
- 360 t payload - 512 t gross
- > 700,000tpa per unit

TPI/Fortescue - Rail haulage & Port Services

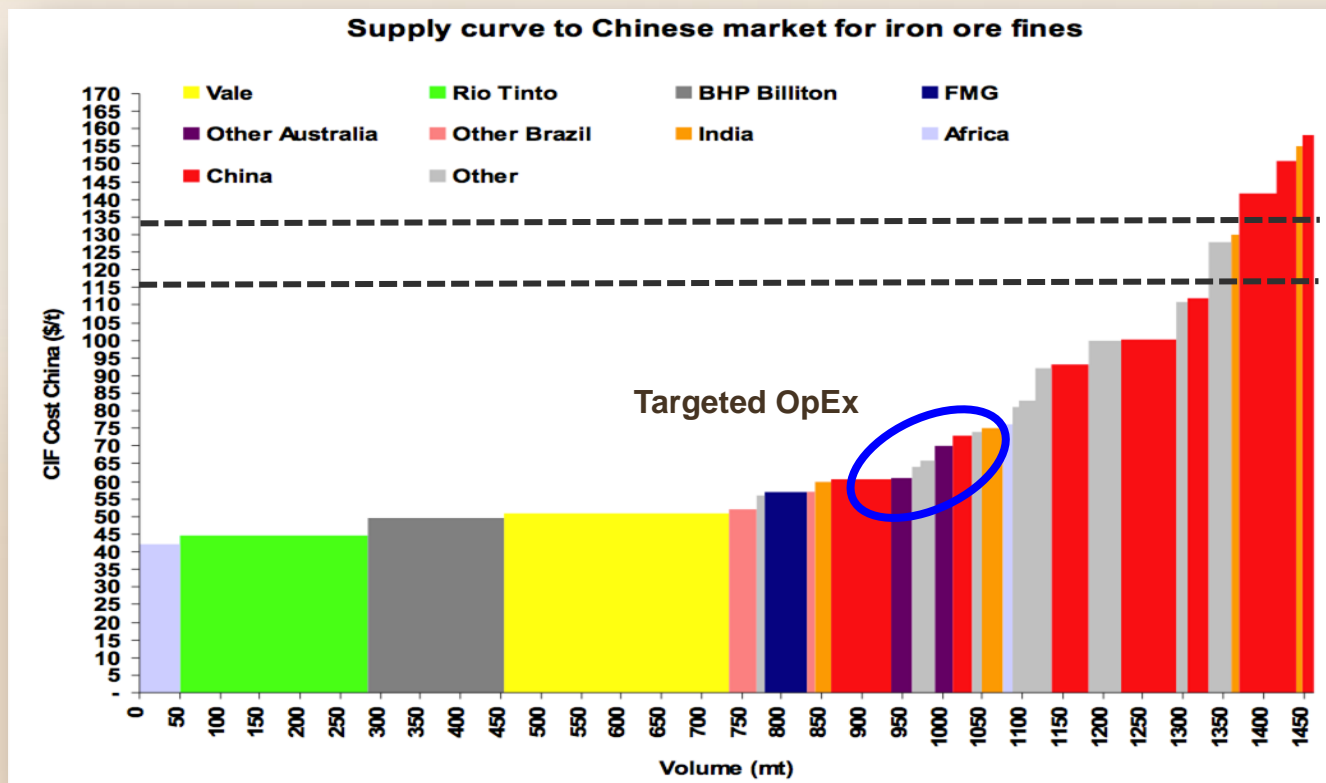
- Christmas Creek rail head
- ~32,000t per train
- Dedicated stockpiles at Christmas Creek and Port
- *Bonnie Fines* load rates approach record rates



Past and forecast production FY12 to FY21

- Production capacity rate at 5Mtpa → steady state production
- LOM strip ratio of 1:1 → Maximum strip ratio (waste : ore) of 2.3 in FY16
- “Project Inventory” to establish total mineable DSO & BBSO by Q3FY13 – may extend mine life 3-5 yr

FY22 →
DSO+BBSO →



Price 16 June
US\$133

Lowest Price
28-Oct-2011

Forecast costs

Source: Macquarie Research

- FOB cash operating costs estimated at \$45 to \$50 per tonne over LOM - varies with waste/ore ratio
- Cash costs exclude State royalties, Aboriginal royalties, marketing and head office costs
- Contractor operation – minimal sustaining capital ~\$5m per annum (NJV)

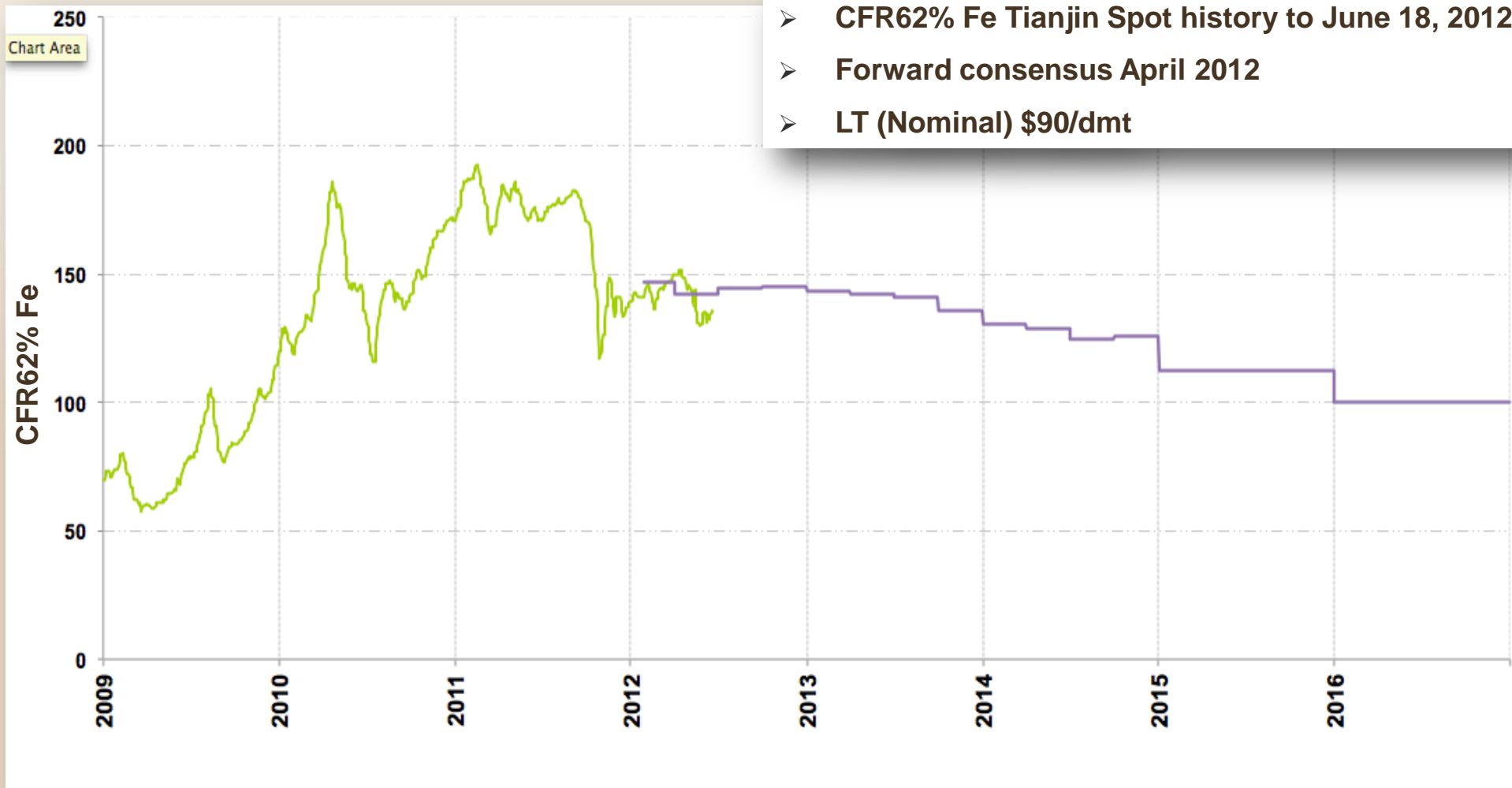
West Australian - Channel Iron Deposits

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

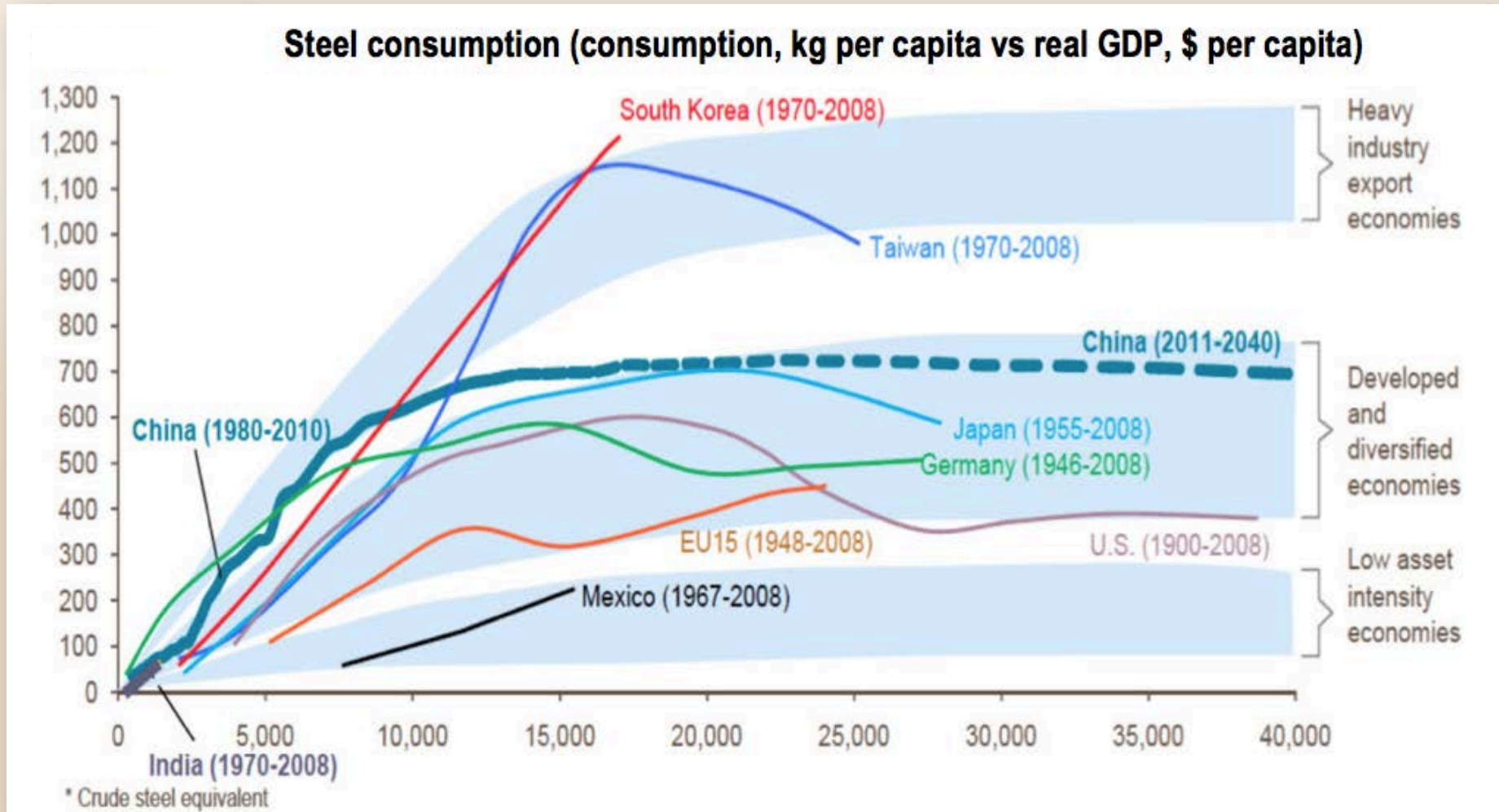
Marketing & Pricing

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

Customer ratings of " <i>Bonnie Fines</i> "			
Element	Grade	Comments	Rating
Fe	57.0%	Typical for Channel Iron Deposit (CID)	✓
Al ₂ O ₃	2.00%	Low. Typically allowed to 2.5%	✓✓
SiO ₂	3.20%	Low. (Al ₂ O ₃ + SiO ₂) < 8% preferred	✓✓✓
P	0.02%	Preference is for low P ores. High P makes steel brittle. Difficult to remove.	✓✓✓✓
S	0.01%	High S creates weakness in steel. Sulphur grains sank the Titanic.	✓✓✓
LOI	12.1%	Loss on Ignition. A measure of 'volatiles' in the ore. Hi LOI = higher CaFe	✓✓
CaFe	64.8%	Iron content after the removal of LOI during sintering	✓✓✓
Moisture & Fines	<6% <9%	Important measures in shipping and sintering	✓✓✓



- CFR62% Fe Tianjin Spot history to June 18, 2012
- Forward consensus April 2012
- LT (Nominal) \$90/dmt



China's steel intensity, by province

Chinese steel intensity by province vs. GDP per capita
Finished steel consumption per capita 2010 (kg)



- Australia GDP per capita \$65,477
- Australia steel intensity 261kg per capita
- Australia population 22.7m

A Pilbara iron ore miner

- Rapid development history
- Focused on development & production
- Established partnerships - FMG, stakeholders, government

Bringing experience to growth

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



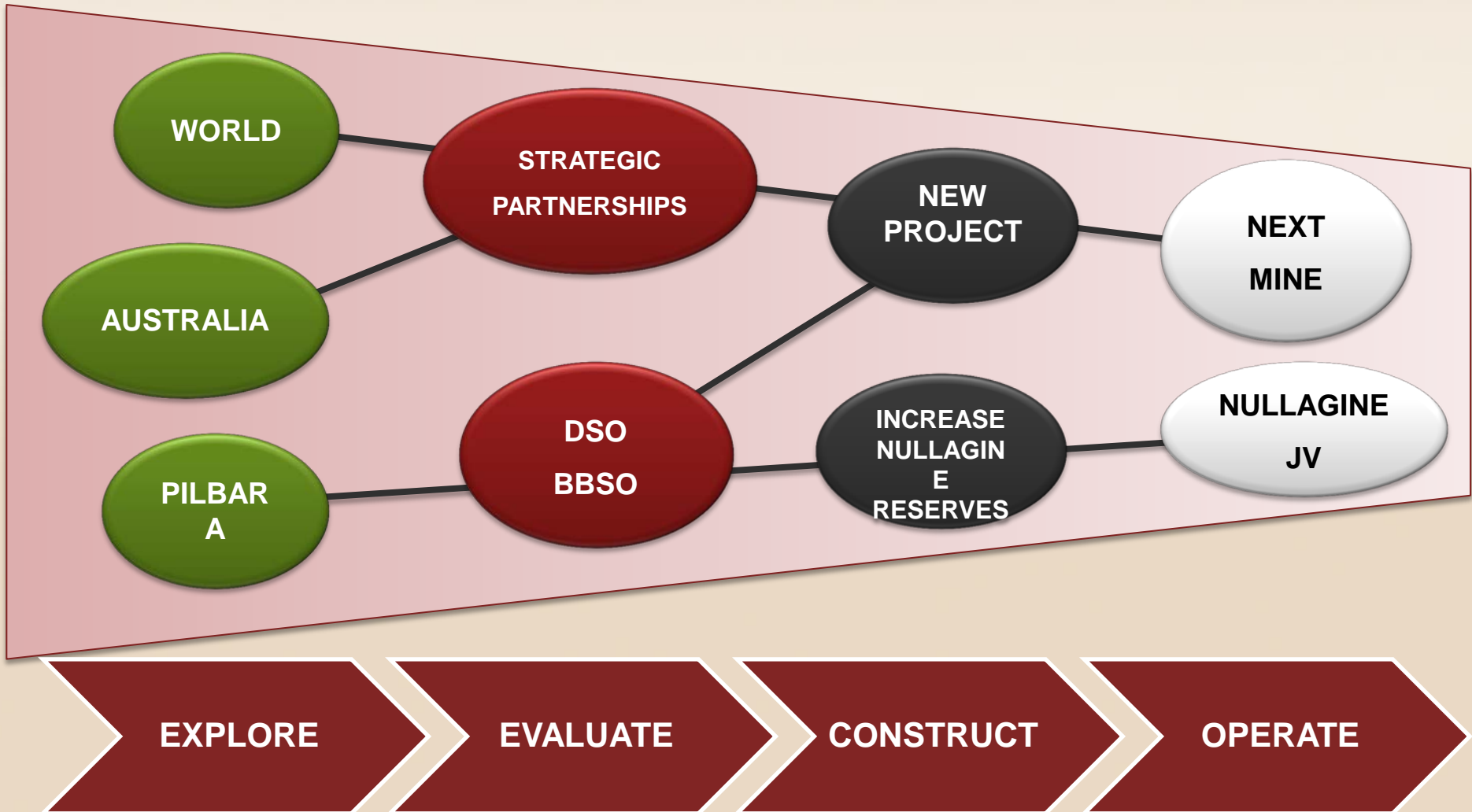


TABLE 1: ORE RESERVES NJV (BC IRON 50%, FORTESCUE 50%)

Probable Ore Reserves by Deposit								
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Outcamp	18.3	56.8	64.7	1.9	3.2	0.014	0.010	12.2
Coongan	6.0	57.0	65.0	1.8	2.5	0.011	0.012	12.4
Warrigal	10.4	57.0	64.6	2.1	3.7	0.022	0.013	11.7
Bonnie East	7.7	57.2	65.0	1.9	3.0	0.014	0.010	12.0
TOTAL	42.4	57.0	64.8	2.0	3.2	0.015	0.011	12.1

TABLE 2: DSO MINERAL RESOURCE ESTIMATE NJV (BC IRON 50%, FORTESCUE 50%)

DSO Mineral Resources by Deposit								
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Outcamp	19.5	56.9	64.8	2.0	3.1	0.014	0.010	12.1
Warrigal	14.4	57.0	64.5	2.3	3.6	0.023	0.013	11.6
Coongan	7.6	57.0	65.1	1.9	2.5	0.011	0.012	12.4
Bonnie East	10.8	57.0	64.8	2.2	3.1	0.014	0.009	12.1
Shaw River: Gap 11	2.8	57.1	63.4	2.9	4.8	0.021	0.029	10.1
TOTAL	55.1	57.0	64.7	2.1	3.2	0.016	0.012	11.9

TABLE 3: CID MINERAL RESOURCE ESTIMATE NJV (BC IRON 50%, FORTESCUE 50%)

CID Mineral Resources by Deposit								
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Outcamp	37.9	53.8	61.8	2.8	4.4	0.015	0.010	12.9
Warrigal	23.4	54.5	62.0	3.5	4.7	0.024	0.013	12.0
Coongan	12.8	53.4	61.5	3.2	4.2	0.013	0.013	13.1
Bonnie East	15.9	54.8	62.6	2.9	4.2	0.015	0.010	12.5
Dandy	2.1	53.7	60.2	6.0	5.3	0.023	0.020	10.8
Shaw River: Gap 11	14.0	54.4	61.2	5.1	4.4	0.021	0.027	11.2
TOTAL	106.2	54.1	61.8	3.4	4.4	0.018	0.013	12.4

TABLE 4: DSO MINERAL RESOURCE ESTIMATE NJV (BC IRON 50%, FORTESCUE 50%)

DSO Mineral Resources by Classification								
Category	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	1.4	56.9	64.7	2.2	3.4	0.019	0.016	12.1
Indicated	46.9	57.0	64.8	2.1	3.1	0.016	0.011	12.0
Inferred	6.9	57.0	64.1	2.6	3.9	0.020	0.018	11.1
TOTAL	55.1	57.0	64.7	2.1	3.2	0.016	0.012	11.9

TABLE 5: CID MINERAL RESOURCE ESTIMATE NJV (BC IRON 50%, FORTESCUE 50%)

CID Mineral Resources by Classification								
Category	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	1.8	54.1	61.6	4.0	5.1	0.020	0.018	12.3
Indicated	81.4	54.1	61.9	3.0	4.4	0.017	0.011	12.7
Inferred	23.0	54.3	61.3	4.7	4.5	0.021	0.021	11.6
TOTAL	106.2	54.1	61.8	3.4	4.5	0.018	0.013	12.4

Notes to the Mineral Resources and Ore Reserves:

- The Mineral Resources and Ore Reserves have been estimated using mined surfaces as of 30 June 2011. Since then as at 31 March 2012, 2,061,091t of ore has been mined from the Outcamp deposit only (as calculated by BC Iron).
- The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.
- DSO (Direct Shipping Ore) is a subset of the CID (Channel Iron Deposit).
- Calcined Fe (CaFe) = $Fe / (1 - LOI) * 100$.
- LOI measured at 1000° C.
- The CID Mineral Resource is reported using a 45% cut-off grade.
- The DSO Mineral Resource 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 depleted 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 their information in the form and context in which it appears.

The information that relates to the Ore Reserve has been compiled by Mr Joel van Anen who is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy, and 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 van Anen and Mr Duncan consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.

Mine production figures may differ from Ore Reserves due to inclusion of Inferred Resources and low grade used for blending.

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.



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Mining iron ore. Growth through cash flow.

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