

5 September 2012

Company Announcements Office
Australian Securities Exchange

BC Iron Limited (ASX: BCI)

Please find attached Company Presentation in relation to the 30 June 2012 full year results.

Regards



Linda Edge
Company Secretary



Full Year Results – 30 June 2012
5 September 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 – current strong cashflow supports shareholder returns, working capital and growth requirements/opportunities
- ❖ “*Getting into cash flow is the path to growth.*”

BC Iron presentation: July 2008



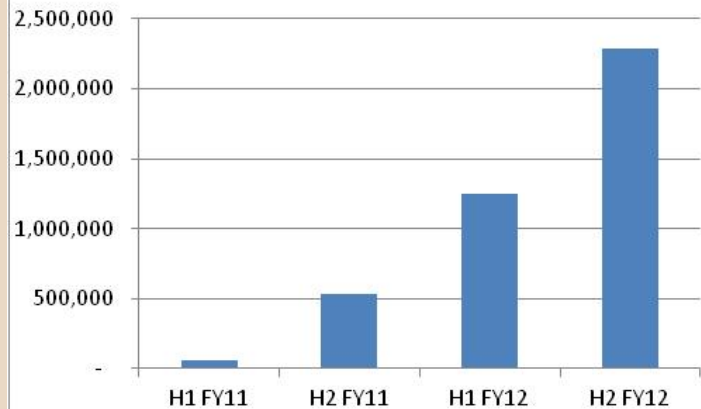
Key achievements of BC Iron & NJV for FY2012:

- Mined and shipped record tonnes across all four quarters
- Achieved EBITDA of \$68.8M for FY2012
- Cash balance doubles in Q4 to **\$92.8M** at end off FY12
- Exceeded FY2012 guidance targets (100% JV):
 - Exports of >1Mt by 1H FY12
 - Production rate of 3.5Mtpa by 1H FY12
 - Exports of >3.5Mt by end of FY12
 - Production rate of 5Mtpa by end of FY12
- Ore Reserve upgrade increases mine life at Nullagine
- Exported largest JV cape size vessel to date of ~224,000t
- Received strong customer support for "*Bonnie Fines*"

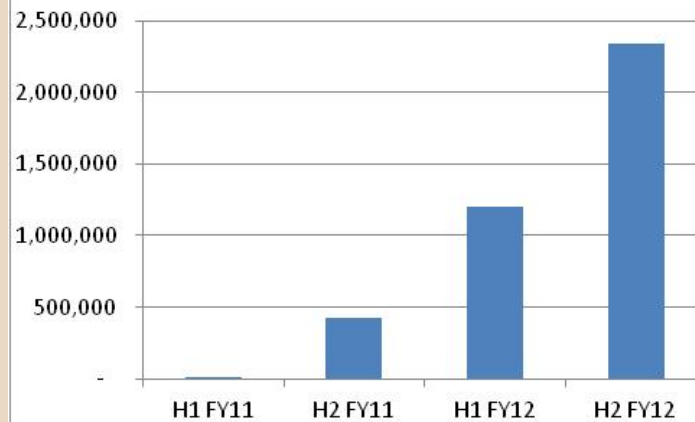




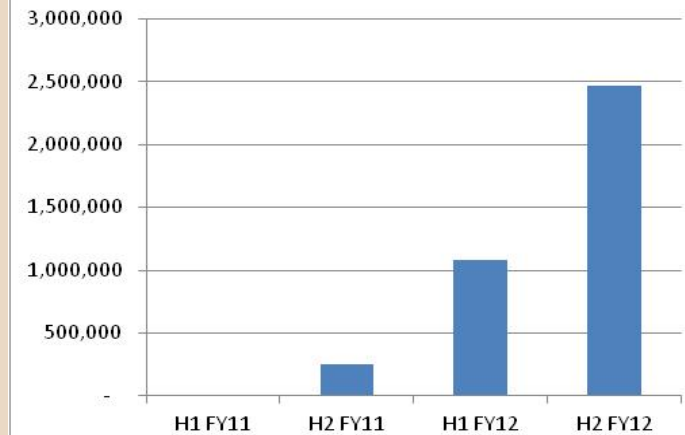
Mined (wmt)



Processed (wmt)

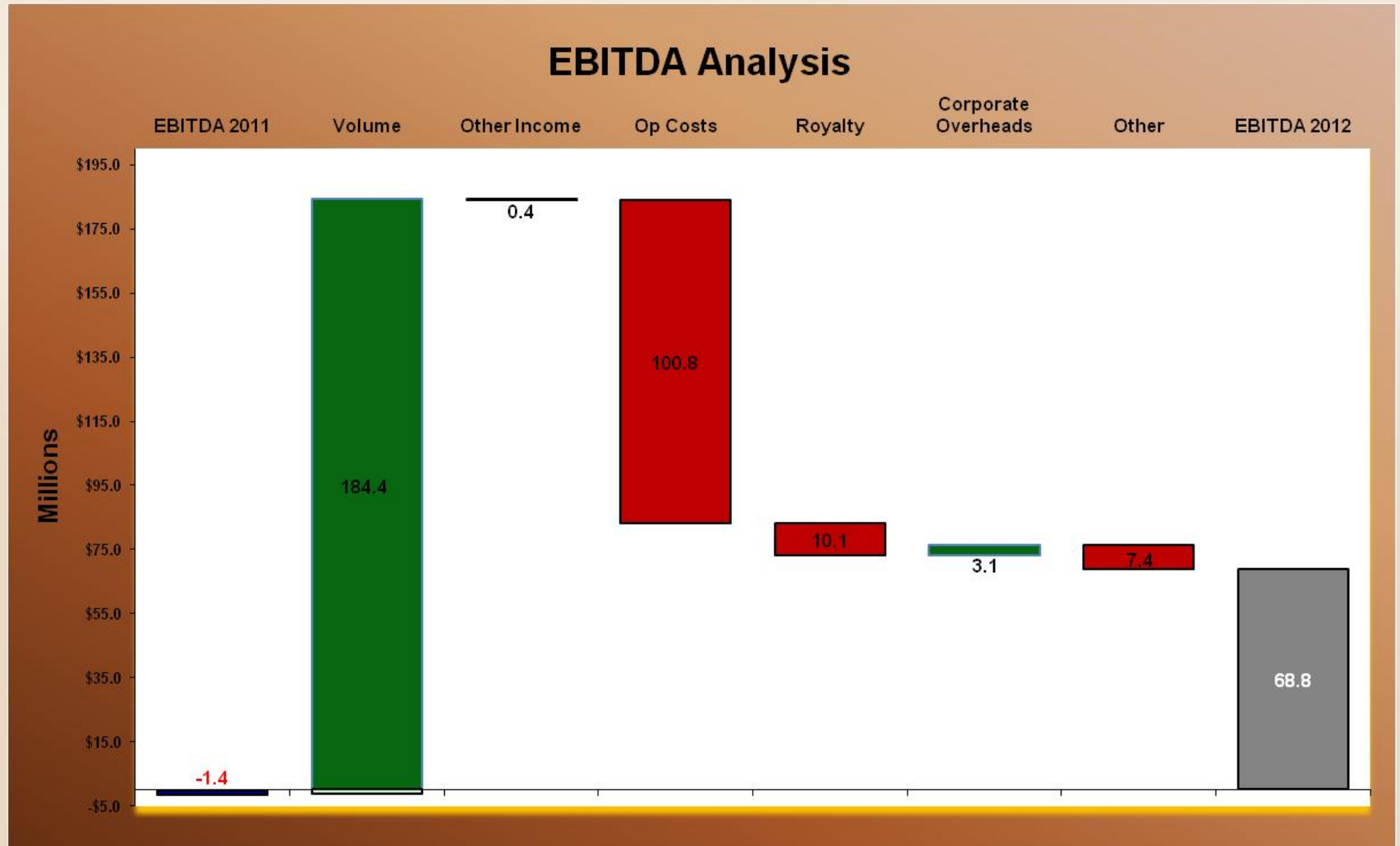


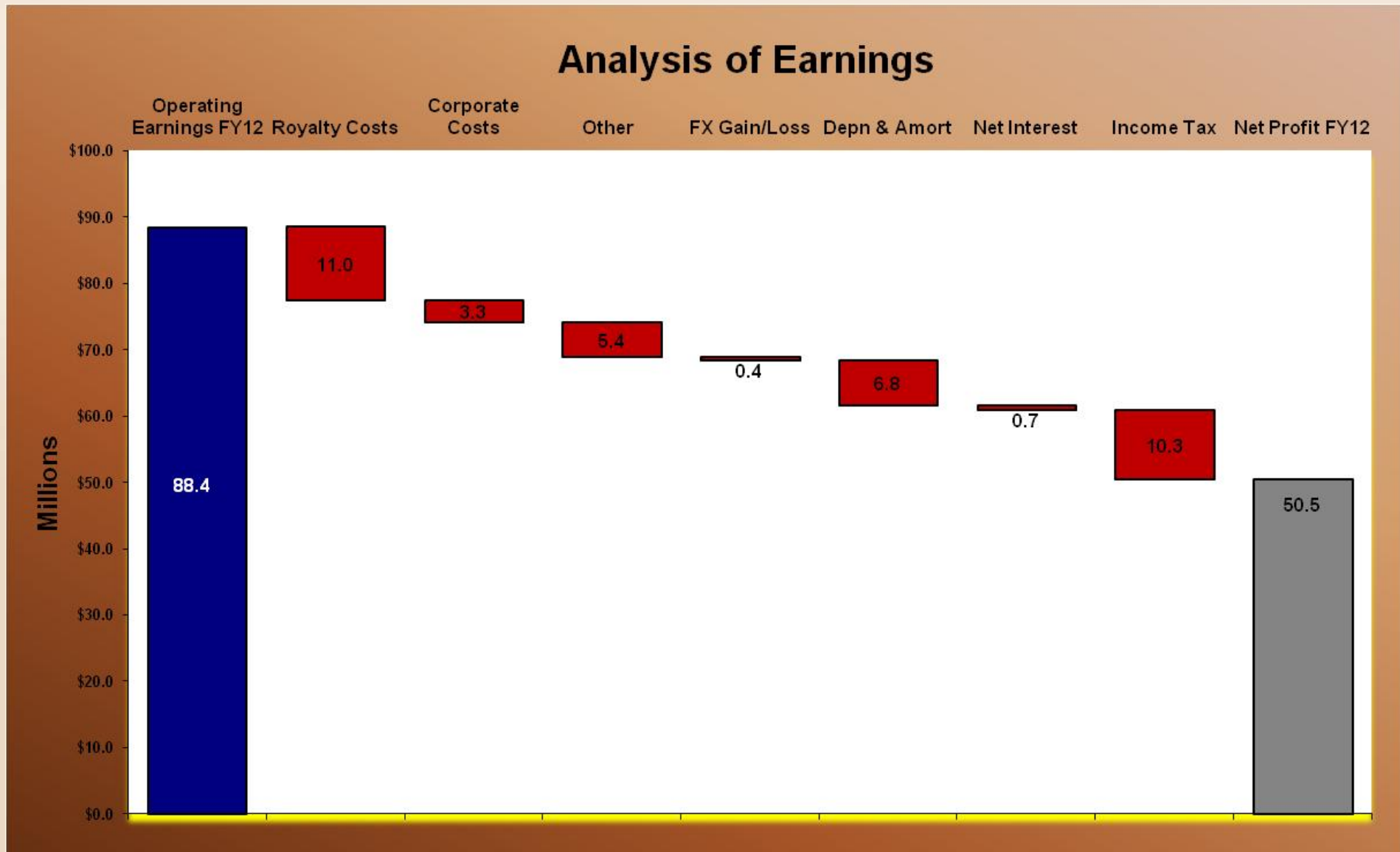
Shipped (wmt)



- Cash balance at 30 June 2012 of \$92.8M
- Record revenues of \$205M and EBITDA of \$68.8M
- Net profit after tax of \$50.6M
- C1 costs of ~\$53 per wmt for FY2012 trending strongly downwards as ramp-up completed
- Maiden dividend of 15.0 cents per share, fully franked
- \$89M cash flow from operations
- DTA of \$8.4m contributes to a nil MRRT payment position for FY2013

BC Iron - Full Year for year ended 30 June 2012 (\$M)	June 12	June 12	Variance	Variance
Revenue	205.5	19.1	186.4	971%
EBITDA	68.8	(1.4)	70.2	4,981%
Net Profit after tax	50.6	1.0	49.6	5,058%
Net Cash / (Net Debt)	76.1	(1.5)	77.6	5,173%
Cash Balance	92.8	17.5	75.3	429%





Full Year ended 30 June 2012 (\$m)	June 2012	June 2011	Variance	Variance
NIOJV (100%)				
Tonnes Shipped (millions – wmt)	3.55	0.25	3.25	1,320%
Average CFR price realised (\$USD/dmt)	\$124	\$161	-\$37	(30%)
BC IRON				
Revenue watch	204.5	19.1	185.4	971%
EBITDA	68.8	(1.4)	70.2	4,981%
Net Profit before Tax	60.8	0.9	59.9	6,512%
Profit after Tax	50.6	1.0	49.6	5,058%
Earnings per share (cps)	48.7	1.0	47.7	4,587%
Return on Shareholders Funds (%)	38.4%	1.4%	-	2,643%
Dividend per share (cps)	15.0	-	15	∞
Dividend payout ratio (%)	30.8%	-	-	∞



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** – Name plate of 5Mtpa achieved; EBITDA \$68.8m, maiden dividend \$0.15/share



First ore on ship, February 2011

<u>Shareholders</u>	
Consolidated Minerals	24 %
Regent Pacific	23 %
Henghou Ningbo	10 %
BC Iron Directors	3 %
Institutions	21 %
Top 20	77 %

<u>Capital Structure</u>	
Ordinary Shares	103.9m
Market Cap at \$2.50	~\$260m
Cash as at 30 June 2012	\$92.8m
Debt	\$16.7m
Enterprise Value	~\$185m
Options, Performance Rights	1.7m

BC Iron share price (red) vs ASX Materials & Mining (blue)



Board of Directors



Tony Kiernan, Non-exec Chairman – formerly 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. Mr McComas is an NED of Consolidated Minerals, Pharmaxis, Ocean Capital & ALLG and a Senior Advisor to the OctaPhillip Group.



Jamie Gibson, Non-exec Director – a solicitor and accountant with over 10 years in management of public companies. Mr Gibson joined the Regent Pacific Group in 1996 and has been CEO since January 2002. Mr Gibson specialises in corporate finance and equity investment. He is a director of a number of Regent subsidiaries.

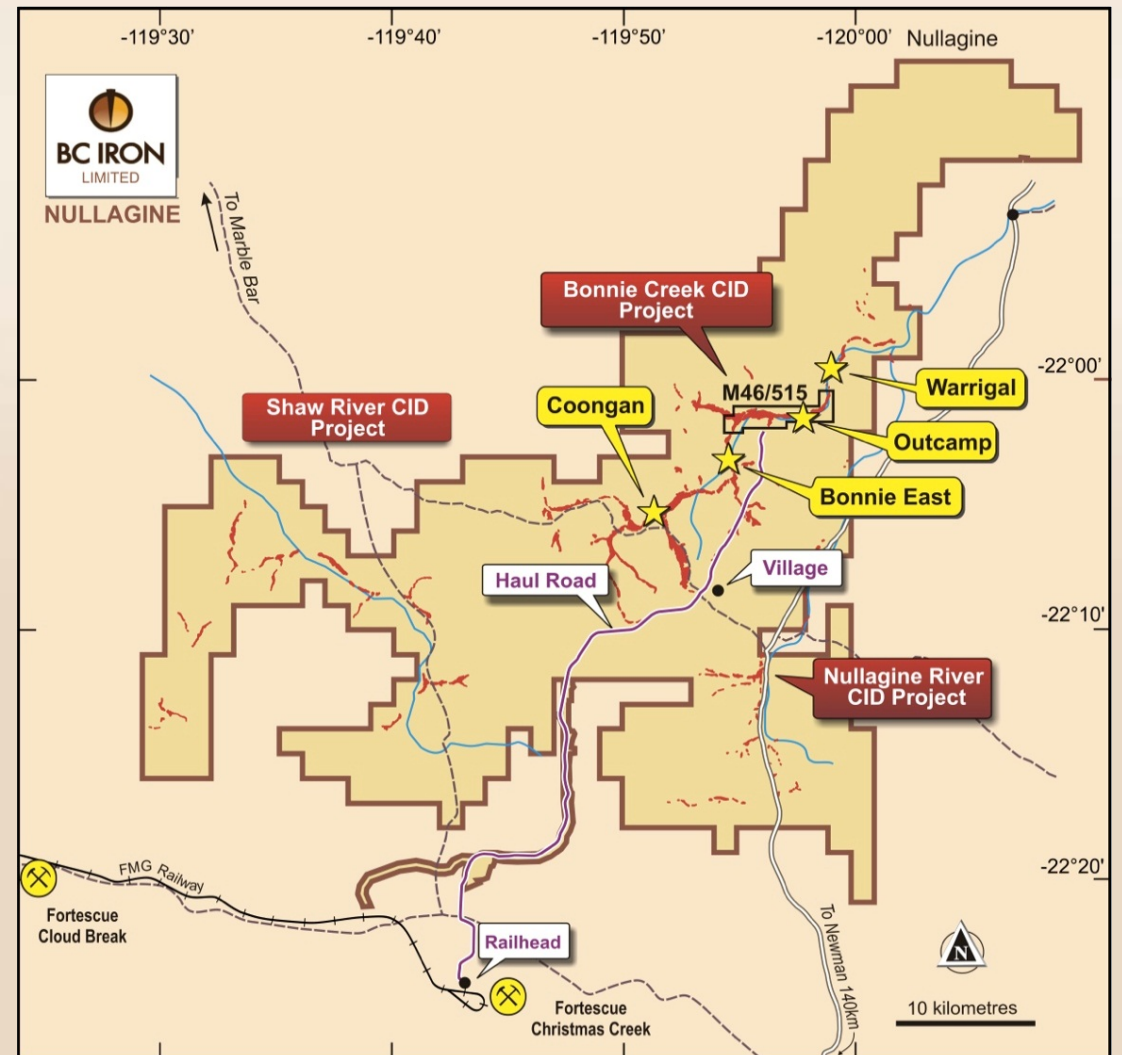
Nullagine Iron Ore Project

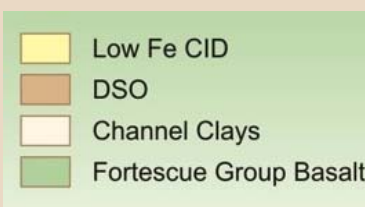
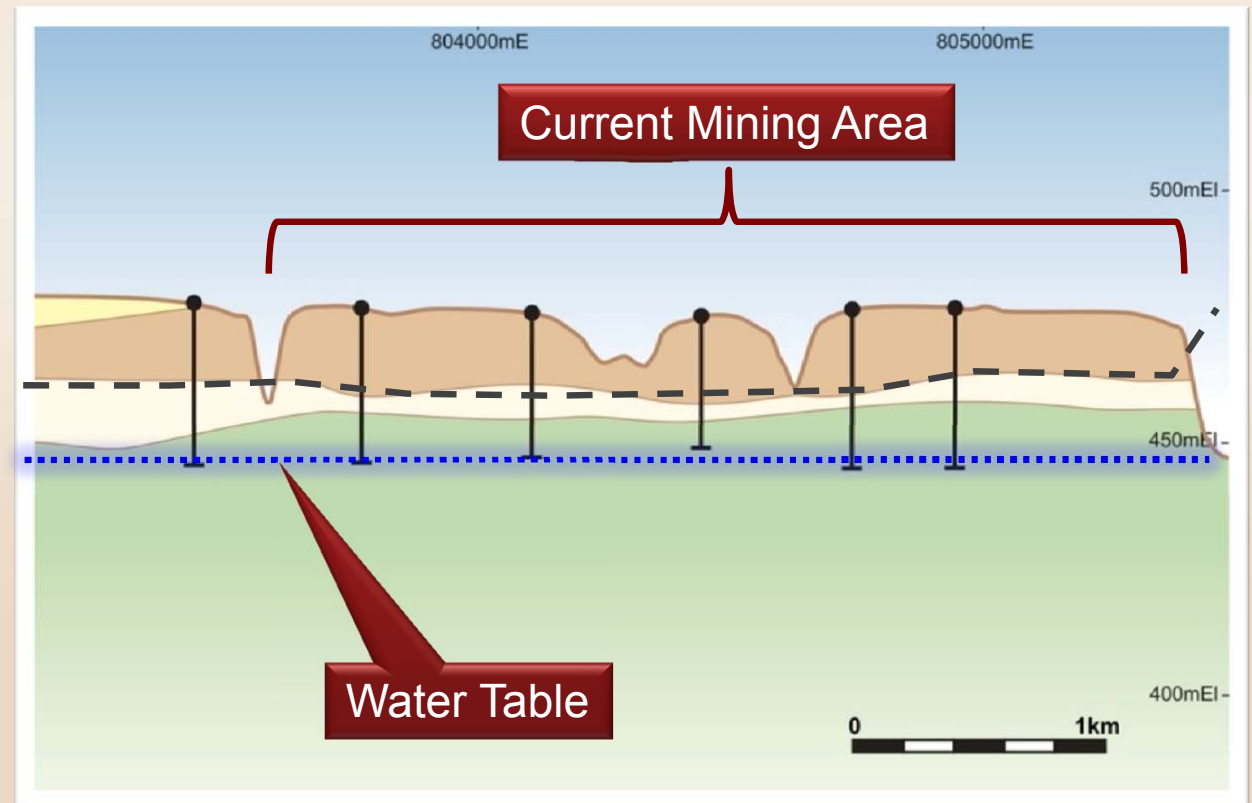
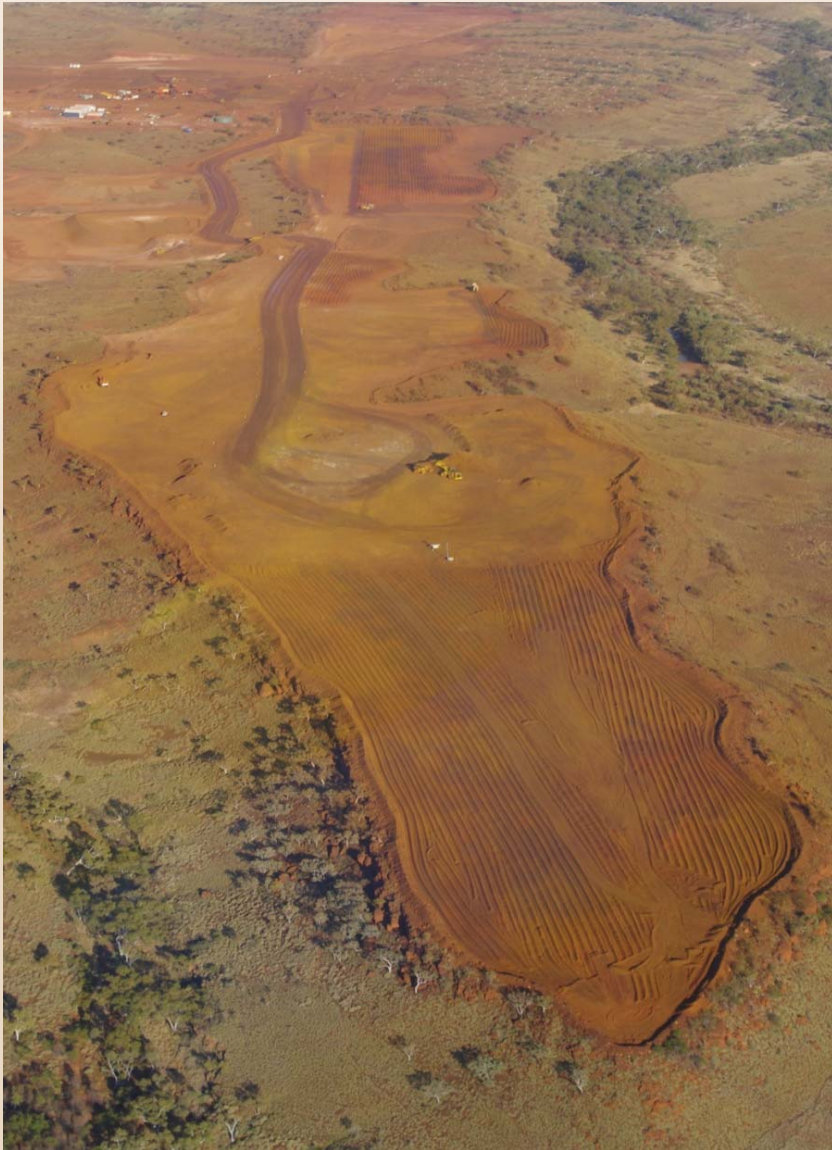
- Joint Venture with Fortescue (50:50)
- The Project is located 55 km north of Fortescue's Christmas Creek (CC) Operations
- Ore is trucked to CC, then railed to Port Hedland for export via Fortescue's port infrastructure
- Mineral Resource of 108Mt @ 54.1% Fe (62% CaFe)
- Ore Reserves 41Mt @ 57.1% Fe (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

- Following upgrades now at ~5.8 Mtpa
- 2 Vermeer & 3 Wirtgen surface miners

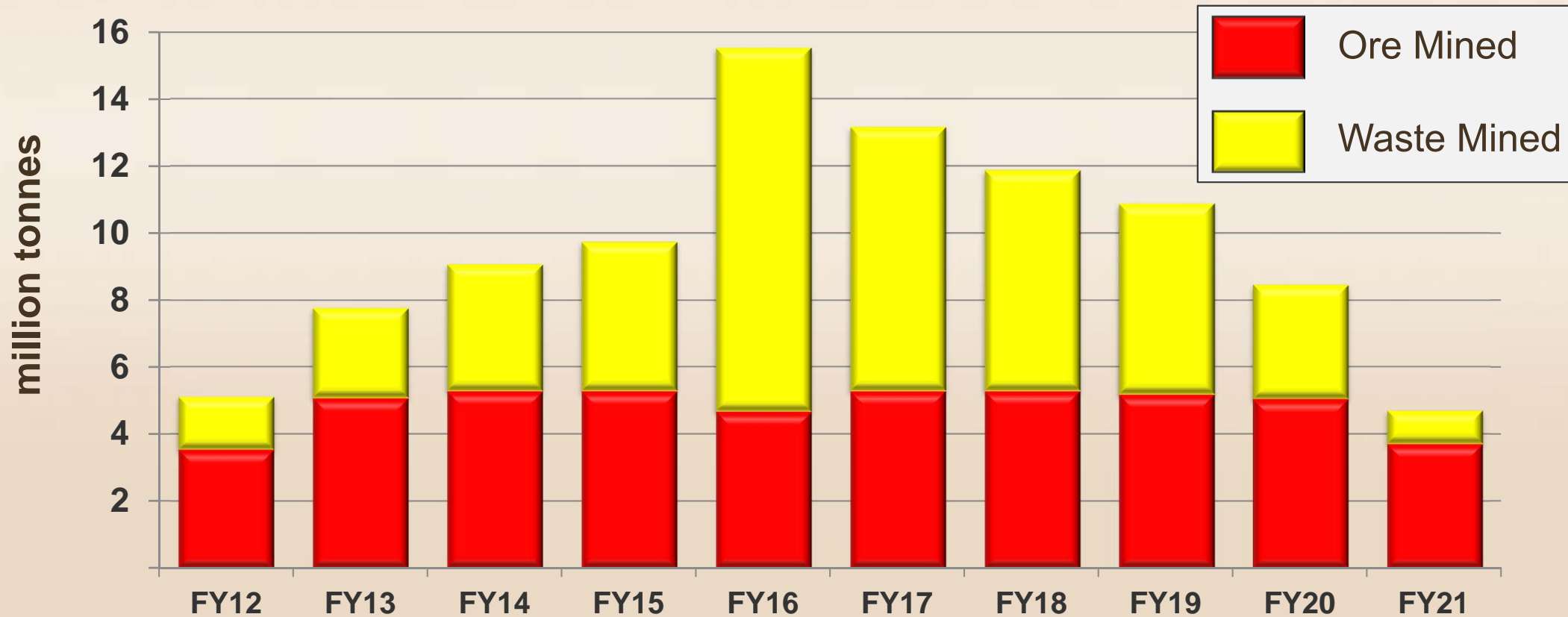
Toll Holdings - PowerTrans Pit Haulers

- 55 km dedicated bitumen haul road
- 8 units on site
- 3 x standby units available (110t triples)
- 360 t payload - 512 t gross
- > 700,000tpa per unit



TPI/Fortescue - Rail haulage & Port Services

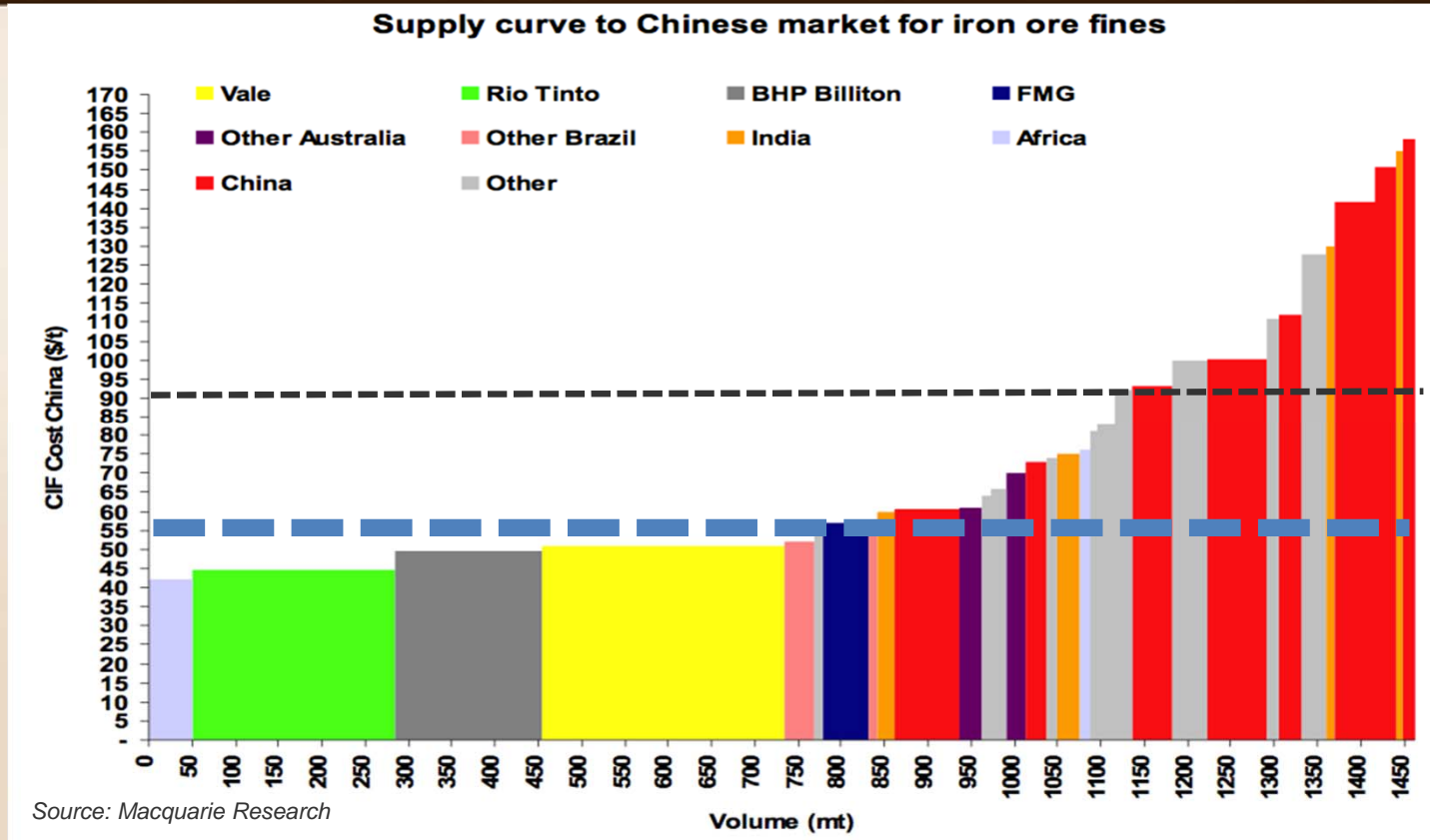
- Christmas Creek rail head
- ~32,000t per train
- Dedicated stockpiles at Christmas Creek and Port
- *Bonnie Fines* load rates approach record rates



Past and forecast production FY12 to FY21

FY22 →
DSO+BBSO →

- 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 yrs

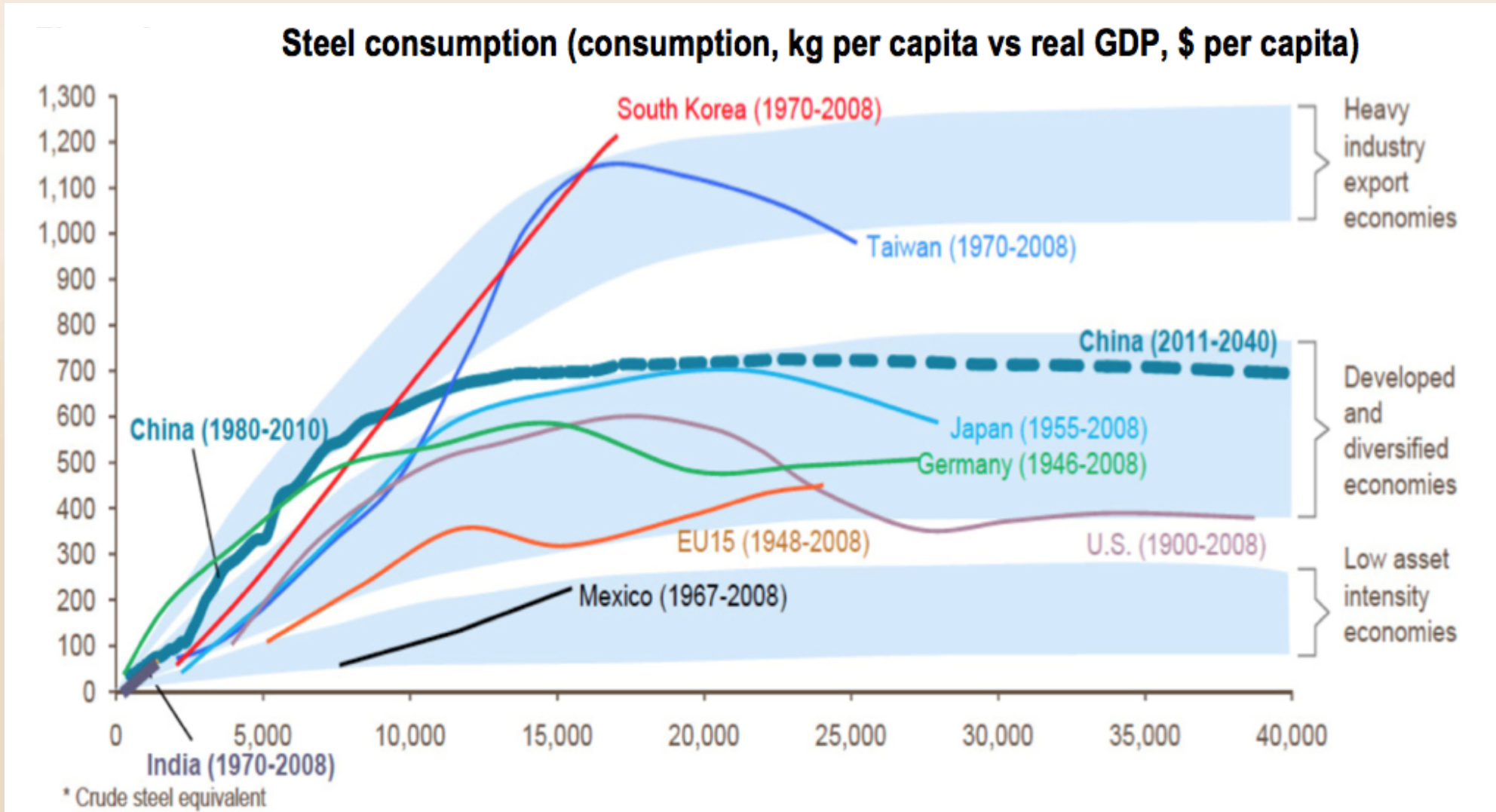


Price 31 August
US\$90.50

Targeted OpEx

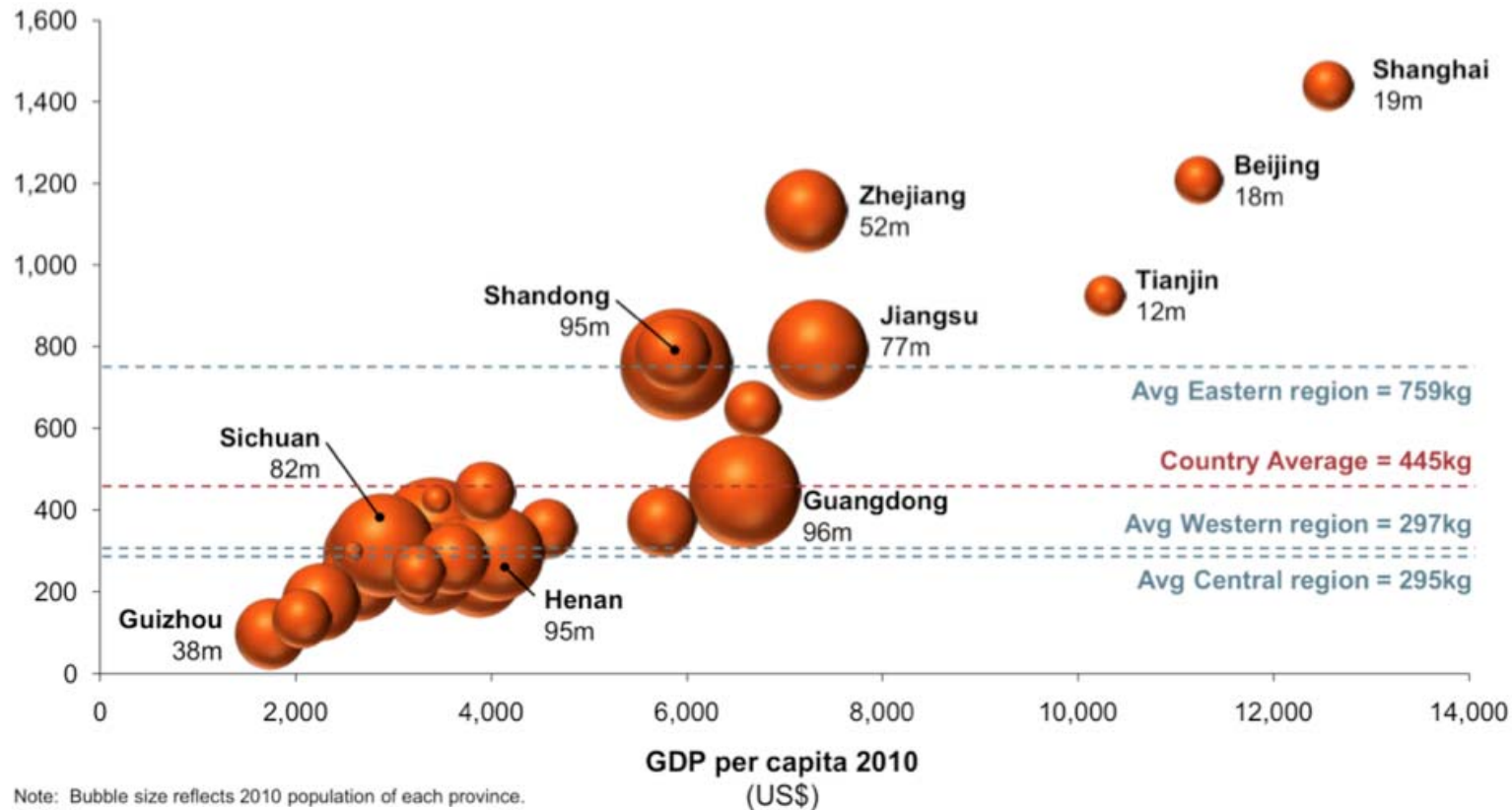
Forecast costs

- FOB cash operating costs estimated at \$45 to \$50 per tonne over LOM - varies with waste/ore ratio
- FY13 cash costs expected to be at lower end of LOM range
- Cash costs exclude State royalties, Aboriginal royalties, marketing and head office costs
- FY13 capital expenditure ~ \$25M (NJV) – one off for Project Inventory + Warrigal Haul Road



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

West Australian - Channel Iron Deposits

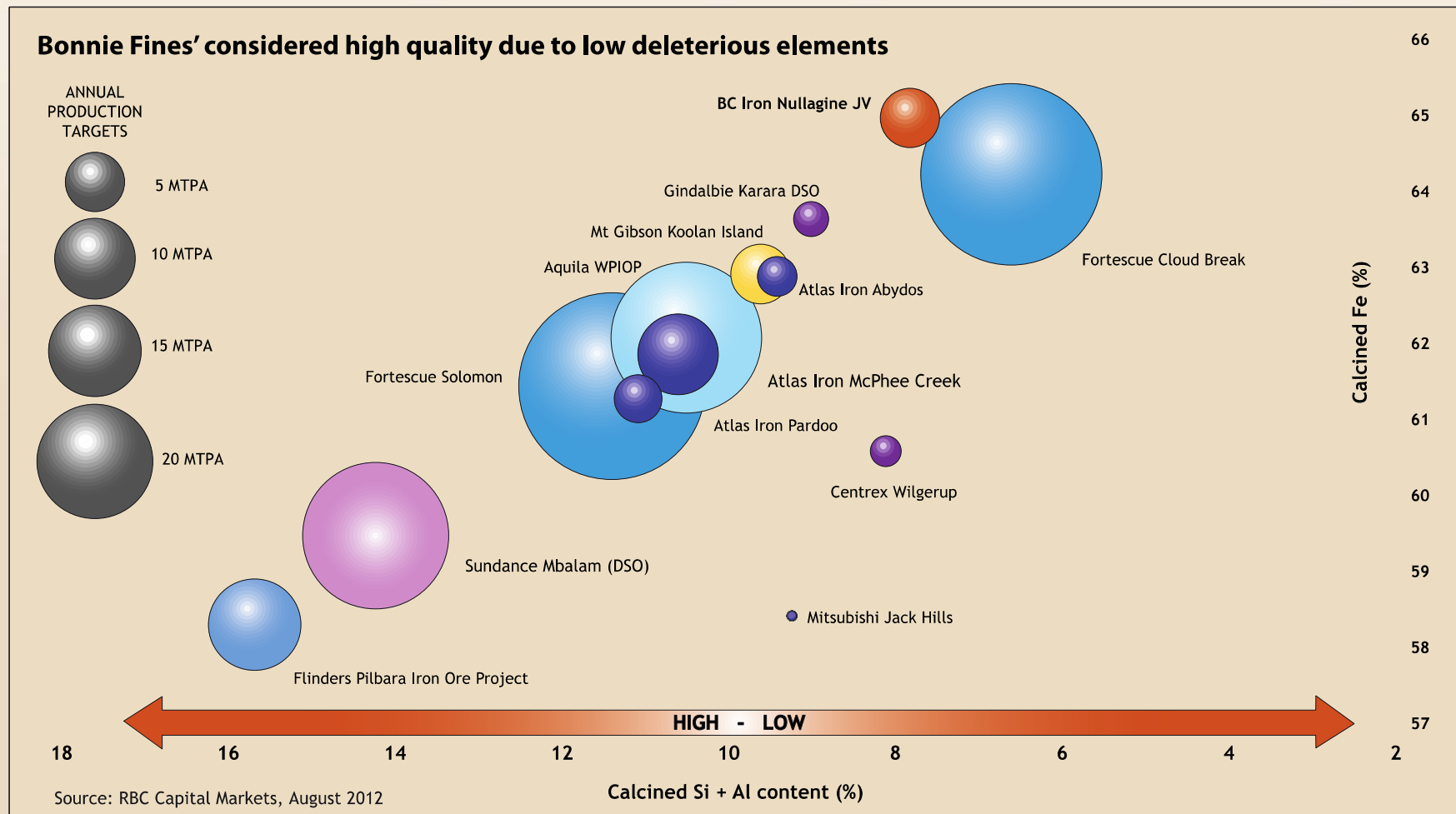
- “*Bonnie Fines*” pisolite sinter blend improves sintering productivity at the steel mill
- Low impurities, low ultra-fines, low moisture, and high calcined iron grade
- Buying interest in *Bonnie Fines* has increased in recent weeks : low-S and low-P are key

Marketing & Pricing

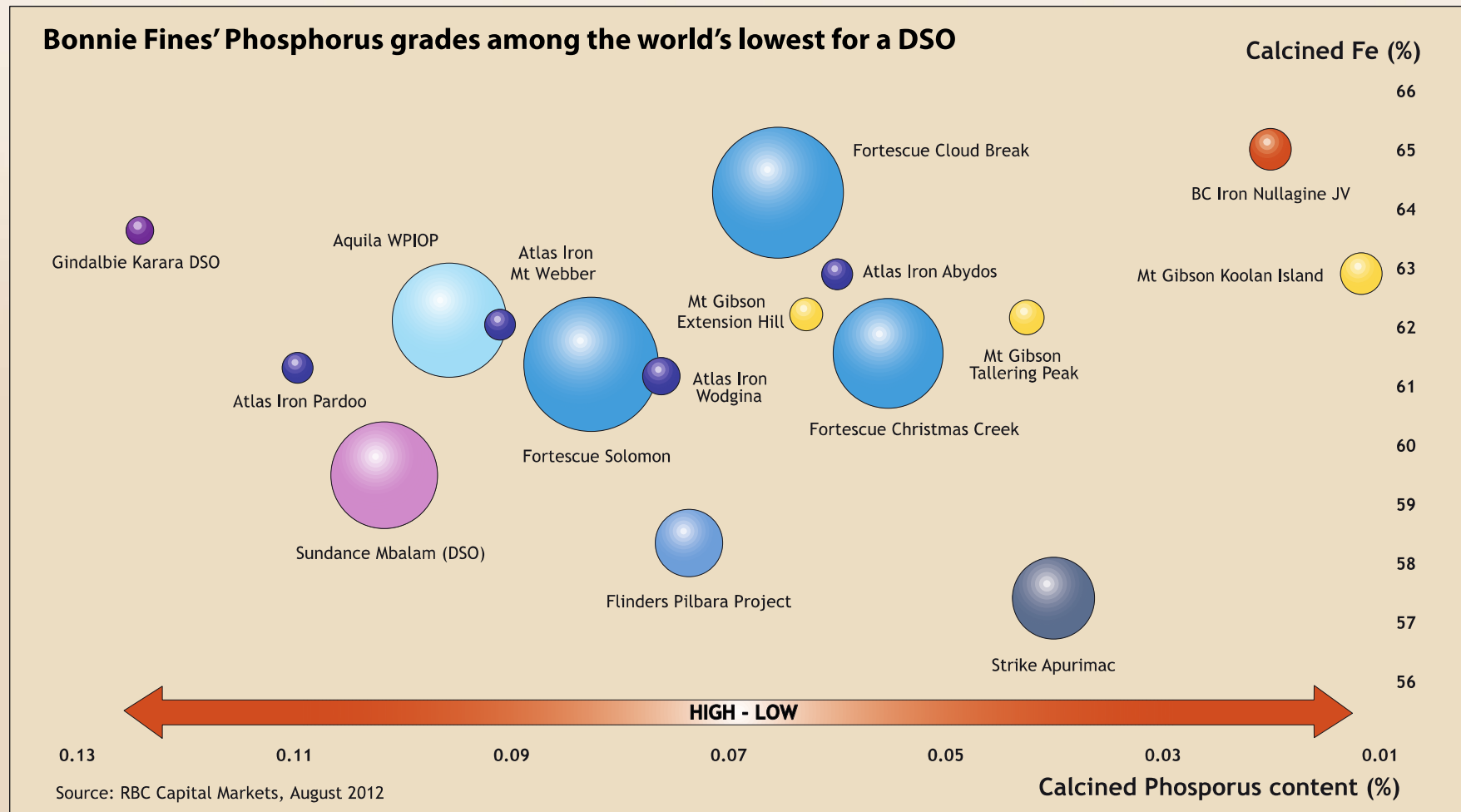
- Fortescue provides marketing services to JV
- Uncommitted ore to be sold at prices aligned with the Platts Index CFR62
- 16mt LOM production committed to Henghou at a discount to Platts Index CFR62
- Relationship with Fortescue provides strong support in logistics, marketing and customers

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	✓✓✓

➤ “Bonnie Fines” highly competitive Alumina and Silica grades



- “Bonnie Fines” Phosphorus Grades amongst the world’s lowest DSO



A Pilbara iron ore miner

- Rapid development history - *Focus*
- Focused on resource development & ore production – *Cash generation*
- Established relationships - FMG, stakeholders, government - *Partnerships*

Business Development - Three Priorities

- Priority 1 – extend Nullagine Mine Life
- Phase 2 – extend influence of NIOJV
- Priority 3 – Strategic partnerships in other iron jurisdictions with in county partners

Priority 1

- Ore Reserve increase 10mt during FY12
- *Project Inventory* underway – 2H FY13

Priority 2

- Review of Fe deposits in East Pilbara underway

Priority 3

- Established the Brazil JV with Cleveland Mining Company Limited
- Develop iron ore JV opportunities in Brazil
- Other partnerships in pipeline

Proved and Probable Ore Reserves NJV (BC Iron 50%, Fortescue 50%)

Deposit	Ore Reserves							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Proved	13	57.3	65	1.8	3.1	0.013	0.013	11.9
Probable	28	57	64.8	2	3.1	0.016	0.011	12.1
Total	41	57.1	64.9	1.9	3.1	0.015	0.012	12

DSO Mineral Resource Estimate NJV (BC Iron 50%, Fortescue 50%)

Classification	DSO Mineral Resources by Classification							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	17.9	57.1	64.8	1.9	3.1	0.013	0.012	12
Indicated	30.2	57	64.8	2.1	3.2	0.017	0.012	12
Inferred	6.9	57	64.1	2.6	3.9	0.023	0.014	11.1
Total DSO	55	57	64.7	2.1	3.2	0.016	0.012	11.9

CID Mineral Resource Estimate NJV (BC Iron 50%, Fortescue 50%)

Classification	CID Mineral Resources by Classification							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	25.3	54.7	62.5	2.6	4.1	0.014	0.012	12.6
Indicated	52.4	54.1	61.8	3.3	4.5	0.018	0.012	12.6
Inferred	30.4	53.8	60.9	4.2	5.3	0.023	0.016	11.7
Total CID	108	54.1	61.7	3.4	4.6	0.019	0.013	12.3

JORC Competent Persons Statement

The information that relates to the Mineral Resource Estimate at Outcamp, Coongan, and Warrigal has been compiled by Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron, and Mr Rob Williams who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of BC Iron. The resources were first reported on the ASX on 2 April 2009. Both Mr Young and Mr Williams 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 Young and Mr Williams 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 Warrigal North (a subset of Warrigal) has been compiled by Mr Paul Hogan who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of BC Iron. This is a maiden resource estimate for Warrigal North. Mr Hogan 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 Hogan consents to the inclusion of his name in the matters based on the 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.

Mining schedules may differ from Ore Reserves due to the inclusion of Inferred Resources and low grade for scheduling purposes.

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.



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