

5 March 2013

Company Announcements Office
Australian Securities Exchange

BC Iron Limited (ASX: BCI)

Please find attached Company Presentation in relation to the 31 December 2012 half year review.

Regards



Linda Edge
Company Secretary



Half Year Review – 31 December 2012
5 March 2013



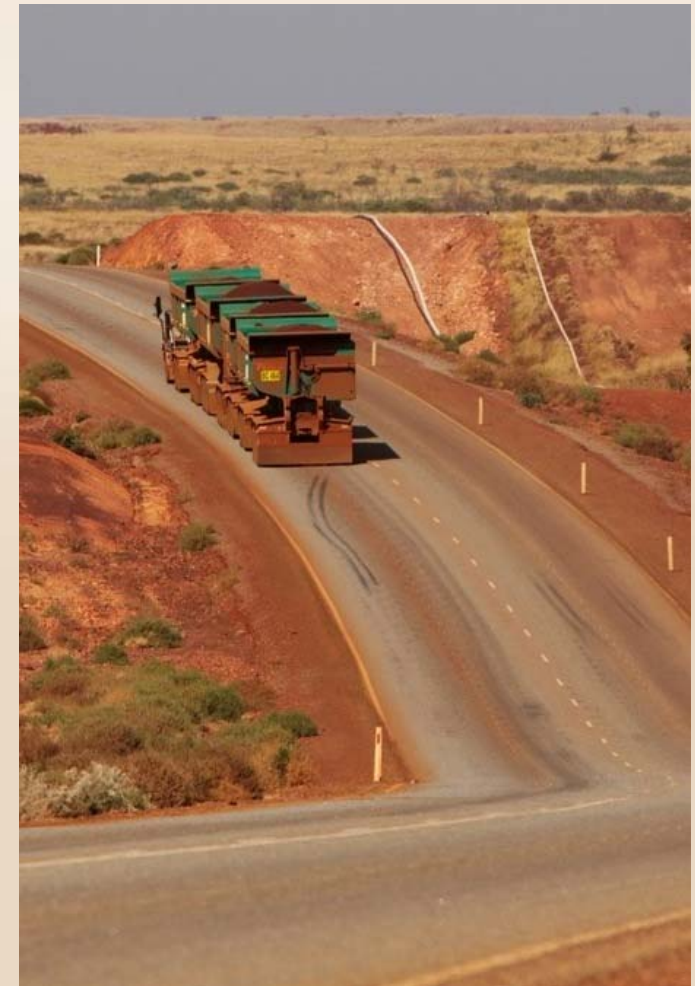
Key achievements of BC Iron & NJV for H1 FY2013:

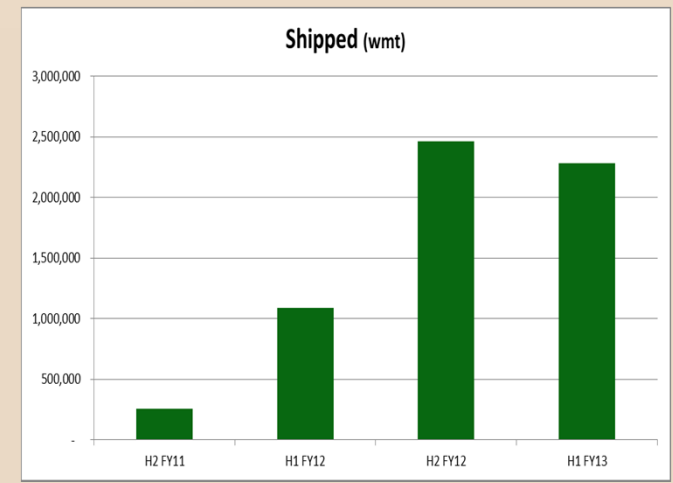
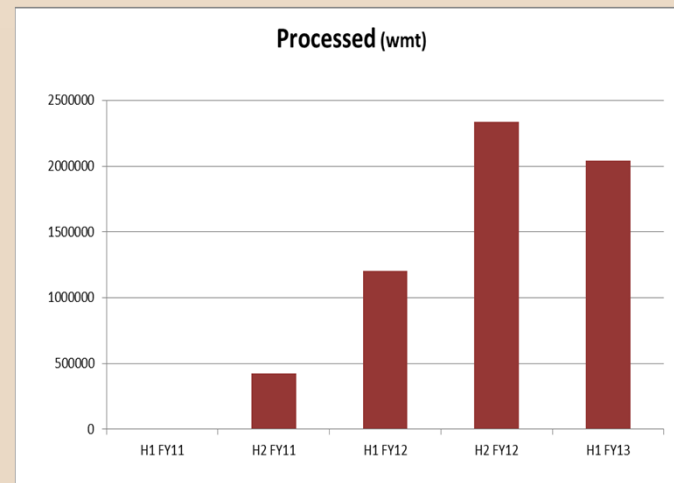
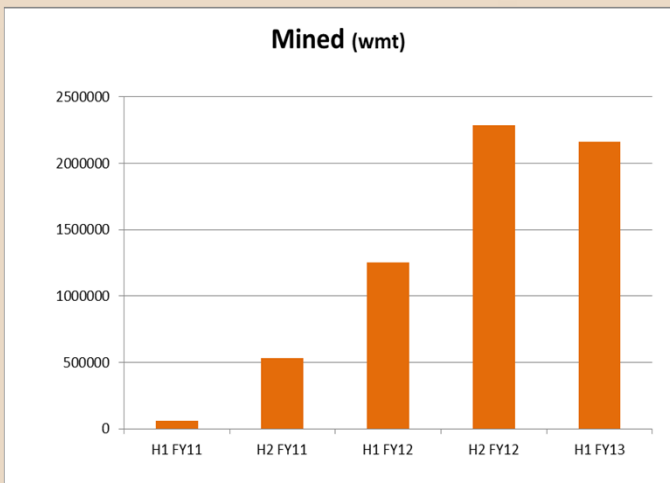
- Acquisition of additional 25% interest in the NJV, increasing BC Iron's share to 75%
 - ✓ Increase rail and port capacity for the NJV from 5Mtpa to 6Mtpa
 - ✓ Increase BC Iron's attributable production to 4.5Mtpa
- Achieved EBITDA of \$21.6M in soft iron price environment
- Reduced C1 cash operating costs to \$47/wmt (2011: \$64/wmt)
- Payment of fully franked full year dividend (FY12) of 15 cents per share – a payout ratio of 31%
- Declared fully franked interim dividend (H1 FY13) of 5 cents per share – a payout ratio of 45%
- NJV iron ore sales of 2.3Mt up from 1.1Mt in corresponding period
- Upgrade of NJV crushing facilities to in excess of 5Mtpa capacity
- Completion of Warrigal Haul Road at the NJV operation
- Entered into strategic alliance with Cleveland Mining to assess potential iron ore opportunities in Brazil



Landmark Business Development Transaction

- BC Iron's attributable iron ore exports increase by 80% from 2.5mtpa to 4.5mtpa
- BC Iron acquires additional 25% of expanded NJV from Fortescue lifting BC Iron's share to 75%
- Infrastructure capacity lifted to 6mtpa for life of NJV
- Total consideration paid to Fortescue of \$190m includes a rail & port prepayment of 3.5wmt of BC Iron production
- Funded via debt, equity raising, and existing cash
- Successful \$47m institutional placement at \$3.04 (6% premium to pre-deal close) plus a \$10m SPP
 - ✓ Share register benefits – liquidity, free float

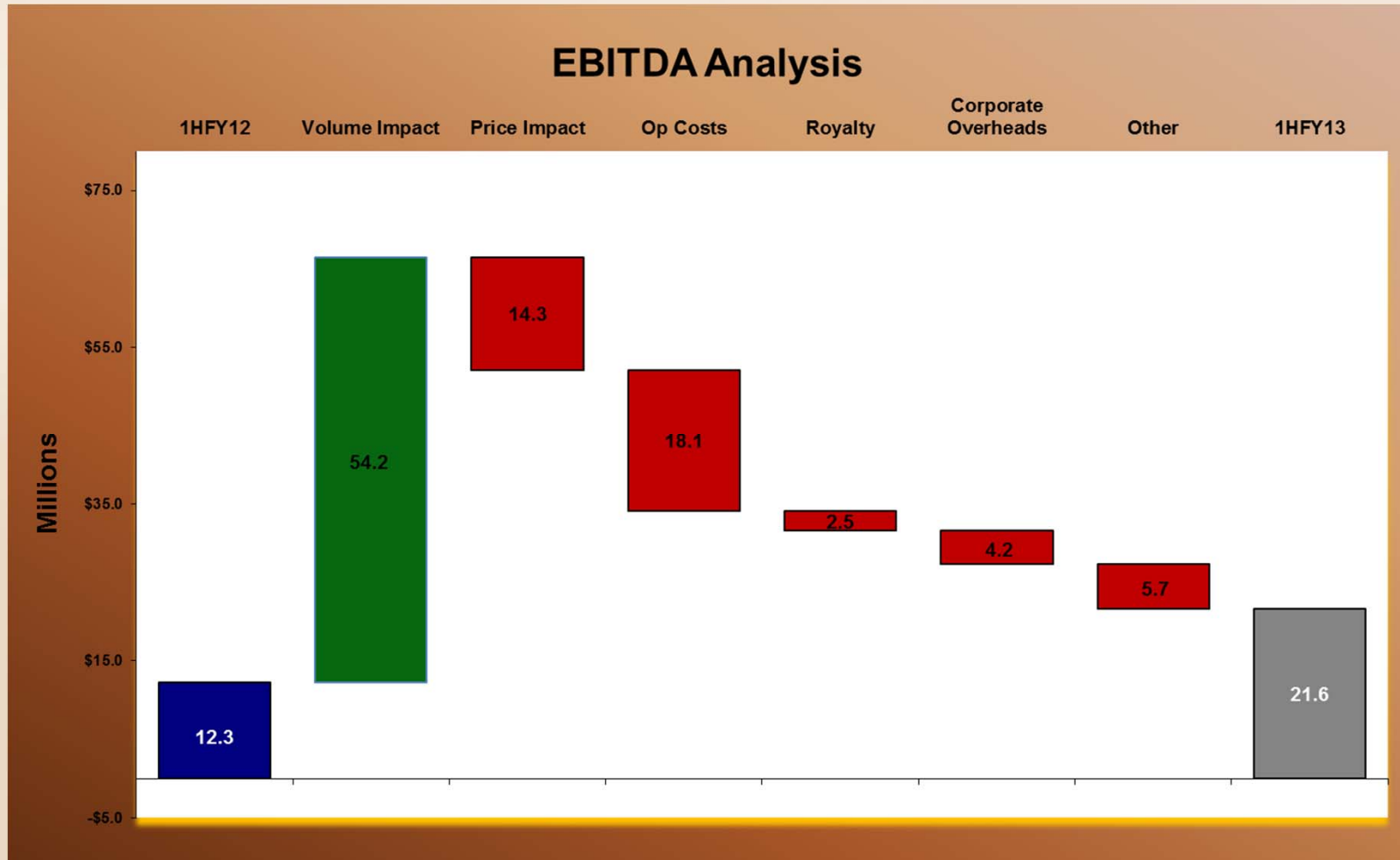




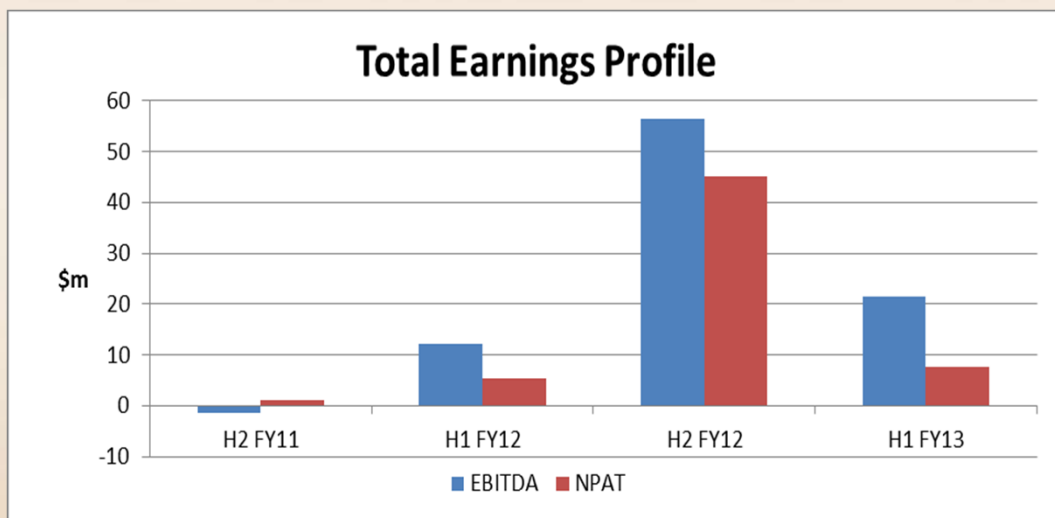
- Cash balance at 31 December 2012 of \$58.3M
- Revenue of \$103.8M and EBITDA of \$21.6M
- Underlying Net profit after tax of \$13.3M
- C1 costs of ~\$47 per wmt for H1 FY2013
- US\$130M debt facility to partly finance the Fortescue transaction
- Paid full year dividend of 15.0 cents per share, fully franked
- Declared interim dividend of 5.0 cents per share, fully franked

BC Iron – Half Year ended 31 December 2013 (\$M)	Dec '12	Dec '11	Variance
Revenue	\$103.8	\$63.4	\$40.4
EBITDA	\$21.6	\$12.3	\$9.3
Underlying Net Profit after tax	\$13.3	\$5.4	\$7.9
Net Cash / (Net Debt)	(\$81.5)	\$14.8	(\$96.3)
Cash Balance	\$58.3	\$35.6	\$22.7

Half Year ended 31 December 2012 (\$m)	Dec 2012	Dec 2011	Variance	Variance (%)
NJV (100%)				
Tonnes Shipped (millions – wmt)	2.28	1.09	1.19	109%
Average CFR price realised (\$USD/dmt)	\$100	\$125	(\$26)	(21%)
BC IRON				
Revenue	103.8	63.4	40.4	64%
EBITDA	21.6	12.3	9.3	76%
Net Profit before Tax	15.3	8.9	6.4	72%
Underlying Profit after Tax	13.3	5.4	7.9	143%
Earnings per share (cps)	11.1	5.7	5.4	94%
Return on Shareholders Funds (%)	7.8	7.3	0.5	6%
Dividend per share (cps)	5.0	-	N/A	N/A
Dividend payout ratio (%)	46%	-	N/A	N/A

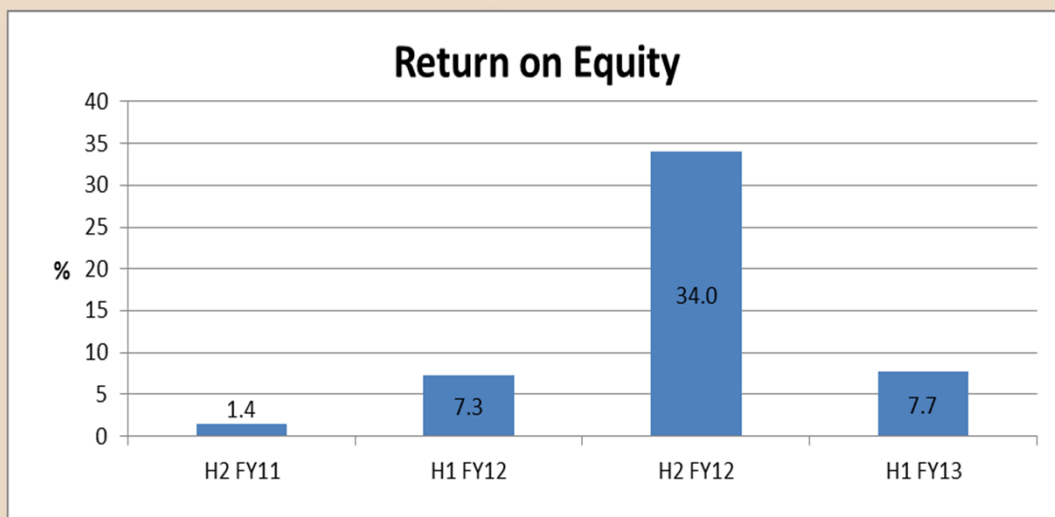


- Volume increase benefits partly offset by decrease in price and strength of AUD

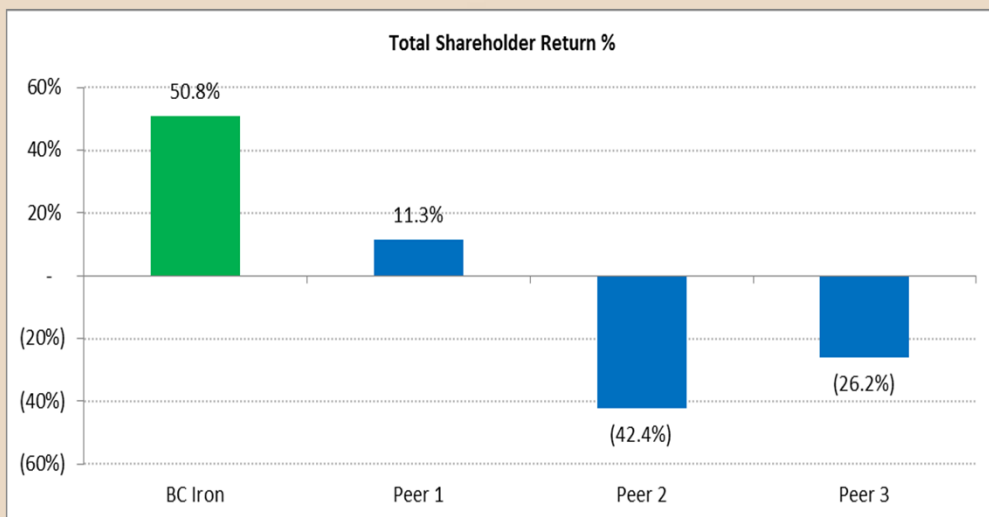
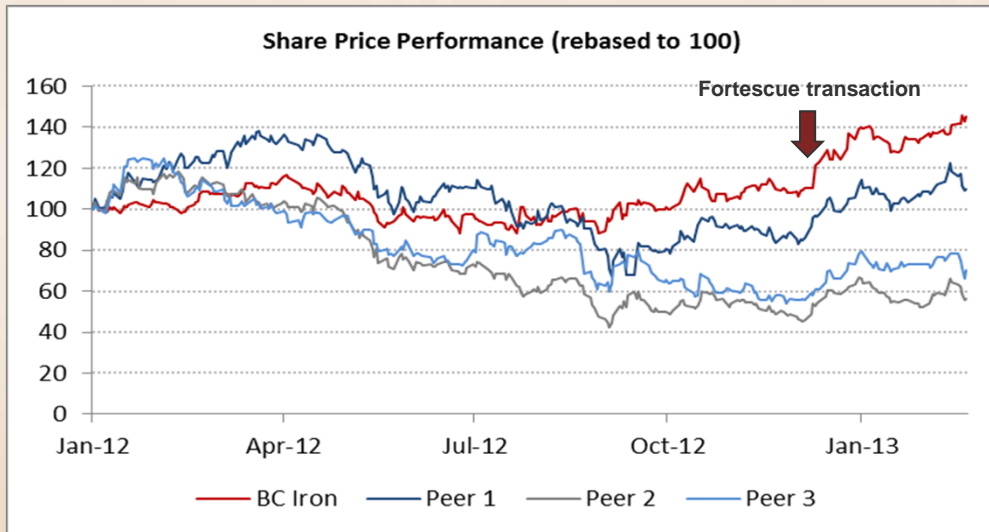


Earnings and Profit impacted by:

- iron price;
- exchange rate;
- one off transaction charges;
- impairment on equity investments; and tax payments



Return on Equity in the period impacted by material increase in Shareholders' Funds due to the Fortescue transaction in late December 12 without the benefit of associated increase in earnings



Strong share price performance vs. peer group:

- Achieved initial NJV 5Mtpa production rate on time and within guidance
- Strong cash flows
- Fortescue transaction
 - *NAV, CFPS, EPS accretive*
 - *80% increase in attributable iron ore tonnes to 4.5Mtpa*
 - *Improved register liquidity and free float*
- Payment of FY12 fully franked dividend at payout ratio of approximately 31%
- Declaration of H1 FY13 fully franked dividend at payout ration of approximately 45%

Updated guidance as of January 2013

- Minimal operations capex required to increase to 6Mtpa now that additional infrastructure capacity secured
- Previously announced JV FY13 capex of ~A\$25 million maintained:
 - ✓ Project Inventory, haul road construction and maintenance, exploration, sustaining capital
- Ramp up to 5Mtpa complete & moving to 6Mtpa
- FY13 JV production guidance ~5Mt (BC Iron ~3.2Mt)
- 6Mtpa JV run rate during Q4 FY13
- FY14 JV production guidance 6Mt (BC Iron 4.5Mt)
- Current mine life of 7 years – targeting extensions
- Low cost operation – LOM C1 FOB costs of A\$45-50/t
- BC Iron FY13 & FY14 forecast cash costs will be lower due to effect of rail & port pre-payment





First drill hole, April 2007

- ### 2006 to 2012: Rapid Growth
- **2006** – Listing on ASX
 - **2007** – Discovery of DSO iron ore at Outcamp Well
 - **2009** – JV (50:50) with Fortescue
 - **2010** – Construction and Mining commences
 - **2011** – Iron ore exports commence & maiden profit
 - **2012** – Name plate of 5Mtpa achieved, maiden dividend \$0.15/share
 - **2013** –BCI moves to 75% of JV, JV increases to 6Mtpa; BC attributed exports to 4.5Mtpa



First ore on ship, February 2011

Shareholders

Consolidated Minerals	23.2%
Henghou Ningbo (Hong Kong) Ltd	8.4%
Ausbill Dexia Ltd	5.5%
Tribeca Investment Partner Pty Ltd	5.1%
BC Iron Directors	2.0%
Top 20	72.4%

Capital Structure (AUD)

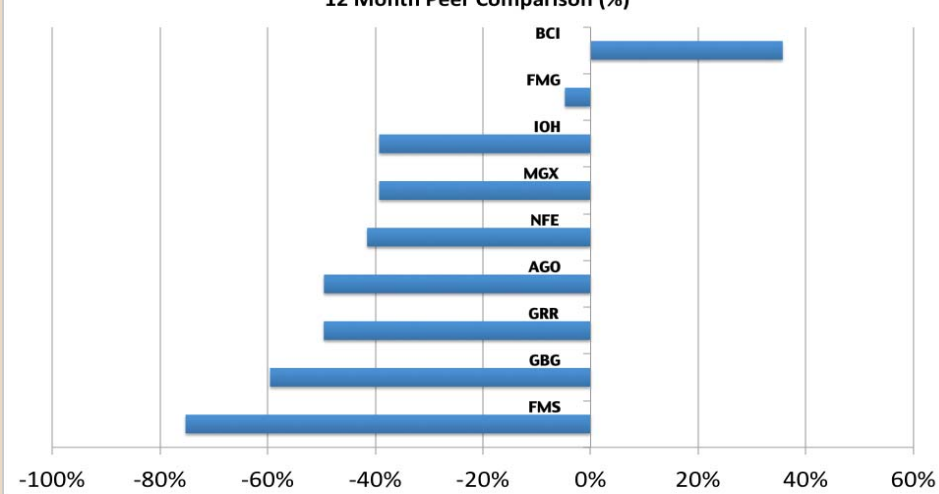
Ordinary Shares	122.7m
Market Cap at \$4.03	~\$495
Cash as at 31 December 2012	~\$58m
Debt	~\$140m
Enterprise Value	~\$577m
Options, Performance Rights	2.8m

Daily WebLink Chart

Date Range: From 27/2/2012 To 27/2/2013



12 Month Peer Comparison (%)



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 of Chalice Gold Ltd, Uranium Equities Ltd., and South Boulder Mines Limited.



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.



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. 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.



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.

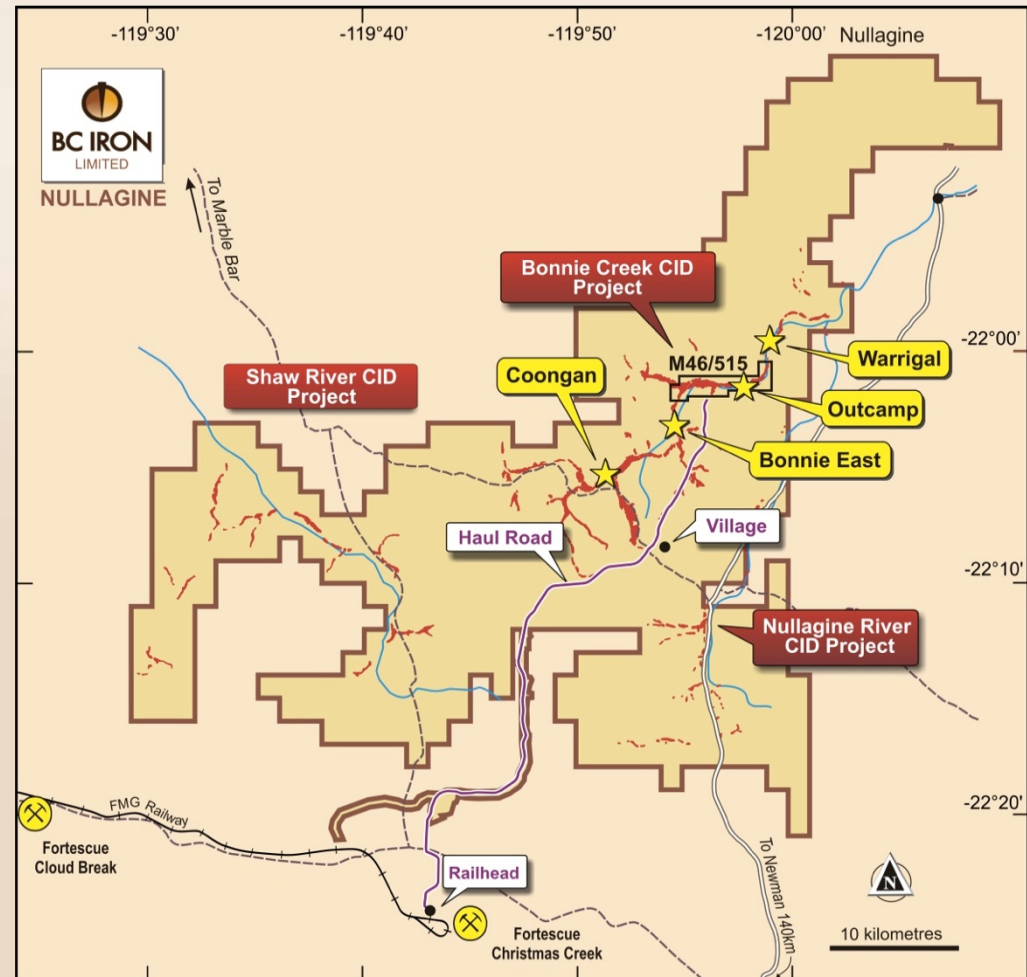
Producing DSO Project with access to world-class infrastructure

- 75% BC Iron : 25% Fortescue
- NJV ramping up to 6mtpa from FY14
- **BC Iron's share is 4.5mtpa iron ore**
- BC Iron is the Operator and Manager
- Located 55km north of Fortescue's Chichester Hub operations
- Quality product – "*Bonnie Fines*"
- NJV Mineral Resource of 105Mt @ 54.1% Fe (62% CaFe)
- NJV Ore Reserves 39.9Mt @ 57.1% Fe (65% CaFe)



Nullagine Joint Venture

- Contract mining, processing and truck haulage
- Ore is trucked to Fortescue facilities at Christmas Creek railhead
- Railed to Port Hedland for export via Fortescue's rail & port infrastructure
- Fortescue provides marketing services
- History of Reserve replacement, with "Project Inventory" assessing possible extensions to mine life (DSO & BBSO – *beneficiate before shipping*)



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





Crushing and Screening - WATPAC

- Main plant upgrade now “bedded down”
- 2nd smaller, mobile unit installed during February
- Name plate rates 5Mtpa → 6.5Mtpa Q3 FY13

Haulage – Toll Resources

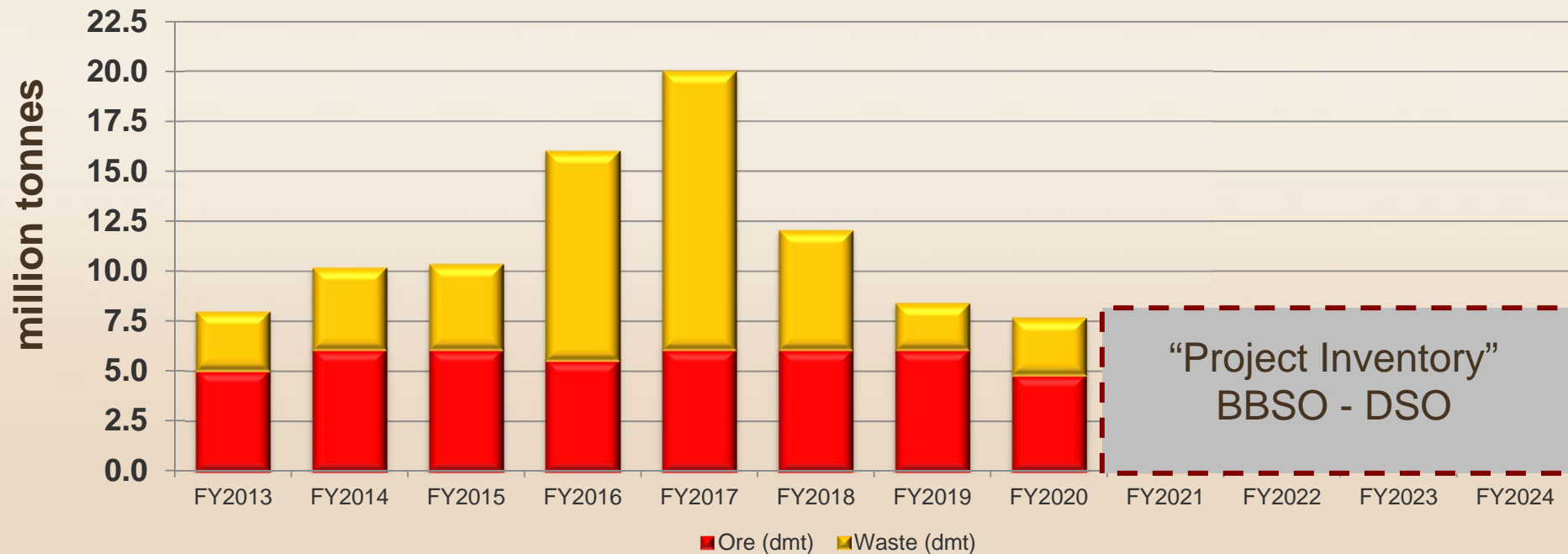
- 8 PowerTrans unit on site – 360t payload
- 9th unit ordered - capacity 5Mtpa → 6Mtpa Q4 FY13
- Fleet supplemented with two 160t “Bigfoot” rigs



Rail and Port Services – TPI/Fortescue

- World class rail and port
- BC Iron access to Cape vessels up to 220,000wmt
- Full access to port out load infrastructure

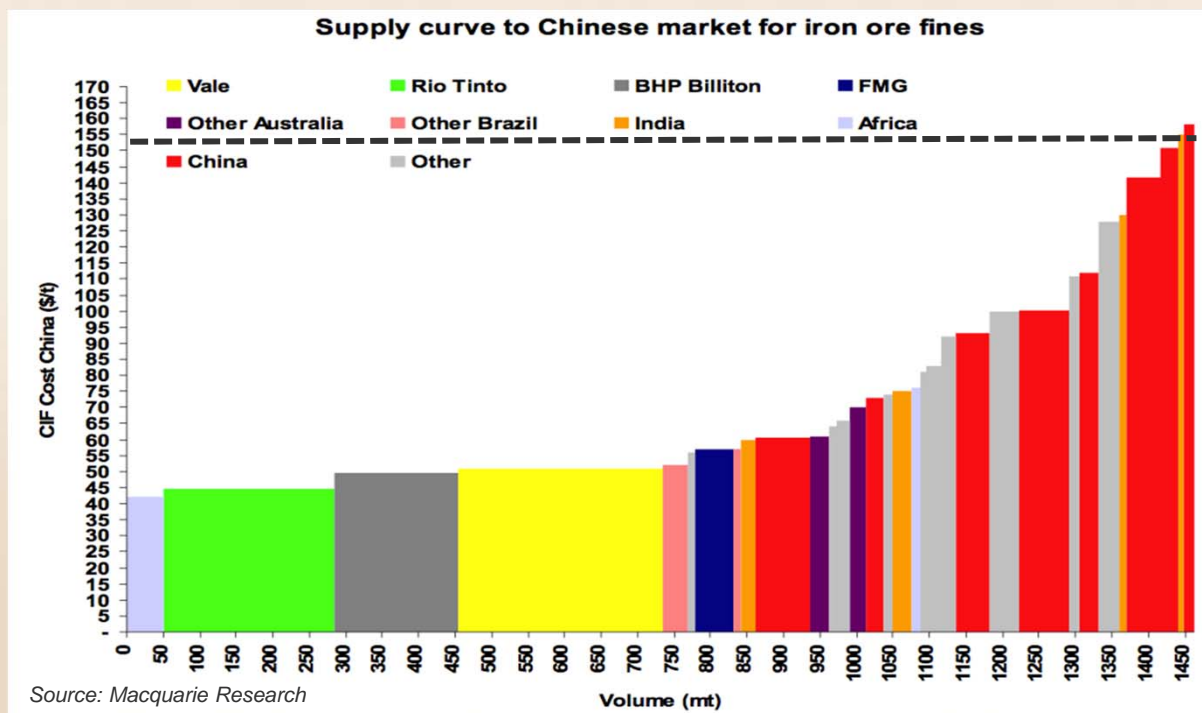
Production Profile & BBSO Exploration Target



Forecast production FY13 to FY20

- Based on current mining plan for LOM
- LOM strip ratio of 1:1 → Maximum strip ratio (waste:ore) of 2.3 in FY16
- “Project Inventory” – results are promising: pit optimisation work and beneficiation work ongoing to establish total extensions to DSO & BBSO – may extend mine life 3-5 yrs

Note: Project Inventory is an Exploration Target and further work may not result in mineral resources or ore reserves



Price 28 February
US\$152 CFR62

Forecast costs

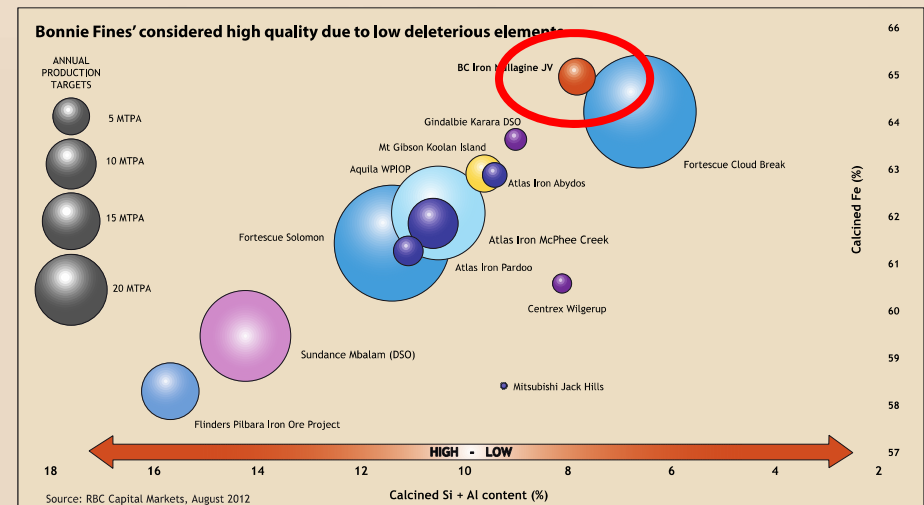
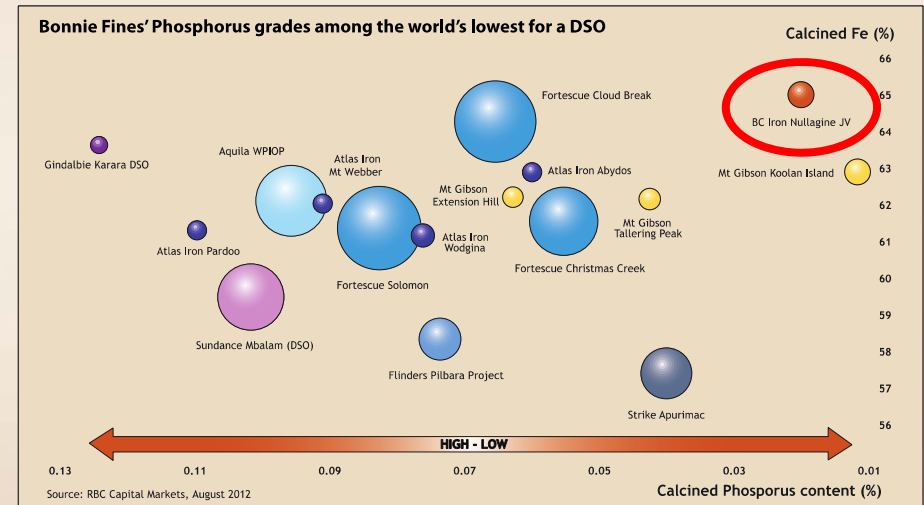
- FOB operating costs (C1) estimated \$45 to \$50 per tonne over LOM - varies with waste/ore ratio
- FY13 cash costs expected to be at lower end of LOM range – *also effect of rail & port pre-payment*
- Cash costs exclude royalties, marketing, head office costs and principal and interest loan repayments
- FY13 capital expenditure ~ \$25M (NJV) – one off for Project Inventory + Warrigal Haul Road

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
- ~14mt JV production remaining committed to Henghou over next 6 years at a discount to Platts Index CFR62
- Relationship with Fortescue provides strong support in logistics, marketing and customers



A Pilbara iron ore miner

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

Business Development - *Three Priorities*

- Priority 1 – extend Nullagine Mine Life
- Phase 2 – leverage off of NIOJV in Pilbara
- Priority 3 – Strategic partnerships / projects in other iron ore jurisdictions



Ore Reserves NJV (BC Iron 75%, Fortescue 25%)

Classification	Ore Reserves							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Proved	19.4	57.4	65.0	1.9	3.2	0.016	0.013	11.7
Probable	20.5	56.9	64.8	2.0	2.9	0.014	0.010	12.2
Total	39.9	57.1	64.9	1.9	3.1	0.015	0.011	12.0

DSO Mineral Resource Estimate NJV (BC Iron 75%, Fortescue 25%)

Classification	DSO Mineral Resources by Classification							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	25.5	57.1	64.7	2.1	3.2	0.016	0.012	11.8
Indicated	20.1	57.0	64.9	2.0	2.9	0.014	0.011	12.1
Inferred	6.8	57.0	64.1	2.6	3.9	0.023	0.014	11.1
Total DSO	52.4	57.1	64.7	2.1	3.2	0.016	0.012	11.8

CID Mineral Resource Estimate NJV (BC Iron 75%, Fortescue 25%)

Classification	CID Mineral Resources by Classification							
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	34.0	55.0	62.7	2.7	4.0	0.017	0.012	12.3
Indicated	39.9	53.8	61.6	3.3	4.5	0.017	0.012	12.8
Inferred	31.0	53.7	60.8	4.2	5.4	0.023	0.016	11.7
Total CID	104.9	54.2	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 full Mineral Resource Estimate and Ore Reserves statement can be found at <http://www.bcion.com.au>

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.

This document has been prepared by BC Iron Limited (“BC Iron” or “Company”) to provide an update of BC Iron to investors and potential new shareholders.

Past performance

Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Forward-looking statements

This document contains “forward-looking” statements or projections based on current expectations. Forward looking words such as, “expect”, “anticipate”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of iron production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements, opinions and estimates provided in this document are based on estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by BC Iron, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: operating and development risks, counterparty risks, iron ore price risk and a number of other risks and also include unanticipated and unusual events, many of which are beyond BC Iron’s ability to control or predict. See the “Key Risks” section of this document for further details on the risks associated with an investment in BC Iron.

The forward-looking statements only speak as at the date of this document and, other than as required by law and the ASX Listing Rules, BC Iron disclaims any duty to update forward looking statements to reflect new developments.

Not financial product advice

This document is for information purposes only and is not financial product or investment advice nor a recommendation to acquire BC Iron shares. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. BC Iron is not licensed to provide financial product advice in respect of BC Iron shares. Cooling off rights do not apply to the acquisition of BC Iron shares.



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