

12 June 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

BC Iron Limited (ASX: BCI)

The following presentation is to be given at two events on the East Coast of Australia on 12 and 13 June 2013.

Yours faithfully,



ANTHEA BIRD
COMPANY SECRETARY



East Coast Presentation

Morgan Ball – Managing Director



June '13

ATTRACTIVE INVESTMENT PROPOSITION



- ✓ **Scale & liquidity:** ASX 300 member, liquidity significantly enhanced post Dec 12
- ✓ **TSR focus:** Outperformed peers on TSR basis FY13 to date
- ✓ **Capital Management:** Robust balance sheet, conservative gearing, sustainable franked dividends
- ✓ **At target production:** 6Mtpa (BCI share - 4.5Mtpa) for FY14
- ✓ **No development risk:** Current market value underpinned by existing production and Reserves
- ✓ **Low cost:** Life of mine FOB C1 cash costs of A\$45-50/wmt (lower in near-term due to prepayment)
- ✓ **Quality product:** 'Bonnie Fines' highly sought-after DSO sinter feed and attractively priced relative to Fe grade



CORPORATE OVERVIEW



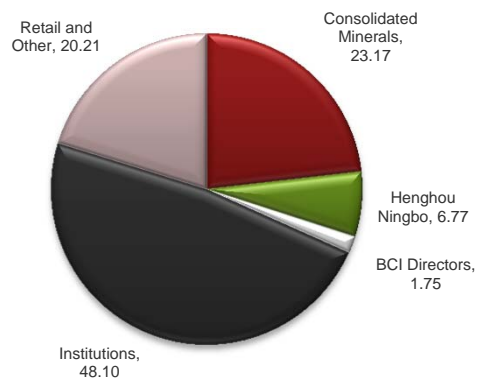
Capital Structure

Ordinary Shares	123.2m
Share Price (at 6-June-13)	\$3.03
Market Capitalisation	\$373m
Cash (at 31-Mar-13)	\$100m
Debt (at 31-Mar-13)	\$139m
Enterprise Value	\$418m
Options / Performance Rights	1.7m

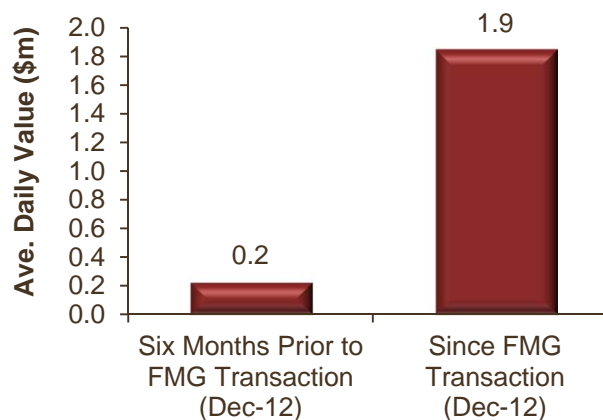
Share Price and Volume



Shareholder Breakdown (June '13)



Enhanced Liquidity



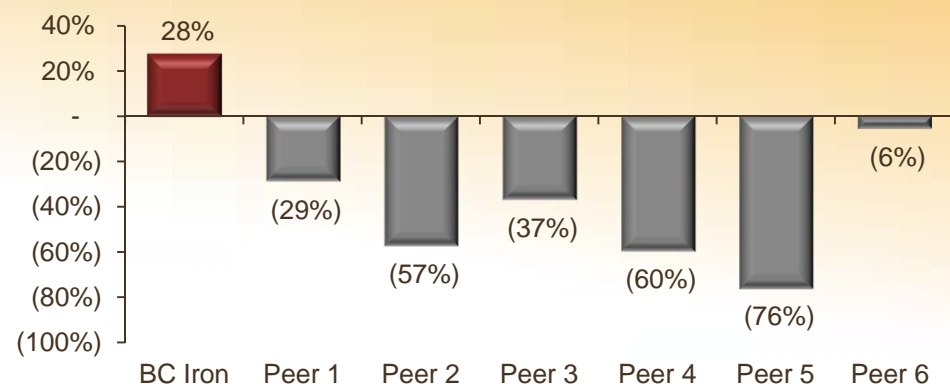
Research Coverage



PEER COMPARISON



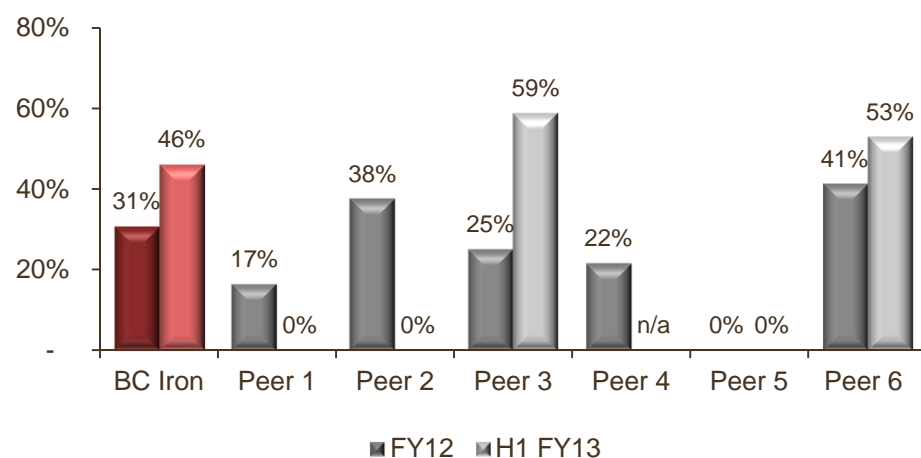
Total Shareholder Return – FY13 to Date



BC Iron has outperformed other mid-tier ASX-listed iron ore companies on a total shareholder return basis since Jul 12 – driven by:

- Continued strong operational performance
- Completion of FMG transaction
 - ❖ *NPV per share, cash flow per share and EPS accretive*
 - ❖ *80% increase in equity production to 4.5Mtpa*
 - ❖ *Short term reduction in cash costs due to prepayment of transport charges (3.5Mt of BC Iron production, commencing Jan 13)*
- Increased institutional ownership and liquidity
- Attractive payout ratio of fully franked dividends

Dividend Payout Ratio



Note: Based on underlying NPAT if reported. Peer 4 reported a net loss for H1 FY13 and therefore a dividend payout ratio is not applicable.

NULLAGINE JOINT VENTURE (NJV)

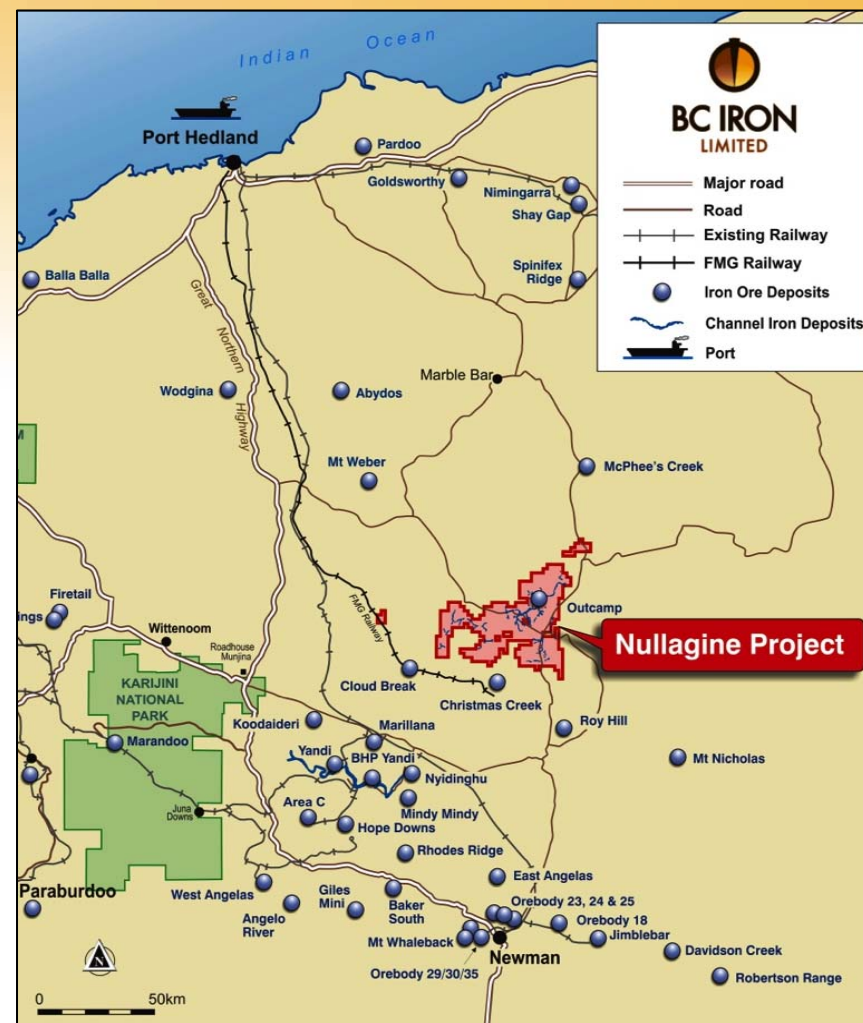


A producing DSO project with access to world-class infrastructure.

- Unincorporated joint venture – 75% BC Iron, 25% FMG
 - ❖ *BC Iron is the Operator and Manager of the NJV*
 - ❖ *FMG provides rail & port services (through its wholly-owned infrastructure subsidiary –TPI) and marketing services*
- Located ~55km north of FMG’s Chichester Hub operations
- NJV production has increased to 6Mtpa following the FMG transaction in December 2012
- Quality product – “Bonnie Fines”

As at 31 December 2012

	Mt	Fe%	CaFe%	Al2O3%	SiO2	P%	S%	LOI
Total Reserves	39.9	57.1	64.9	1.9	3.1	0.015	0.011	12.0
Total DSO Resource	52.4	57.1	64.7	2.1	3.2	0.016	0.012	11.8
Total CID Resource	104.9	54.2	61.7	3.4	4.6	0.019	0.013	12.3

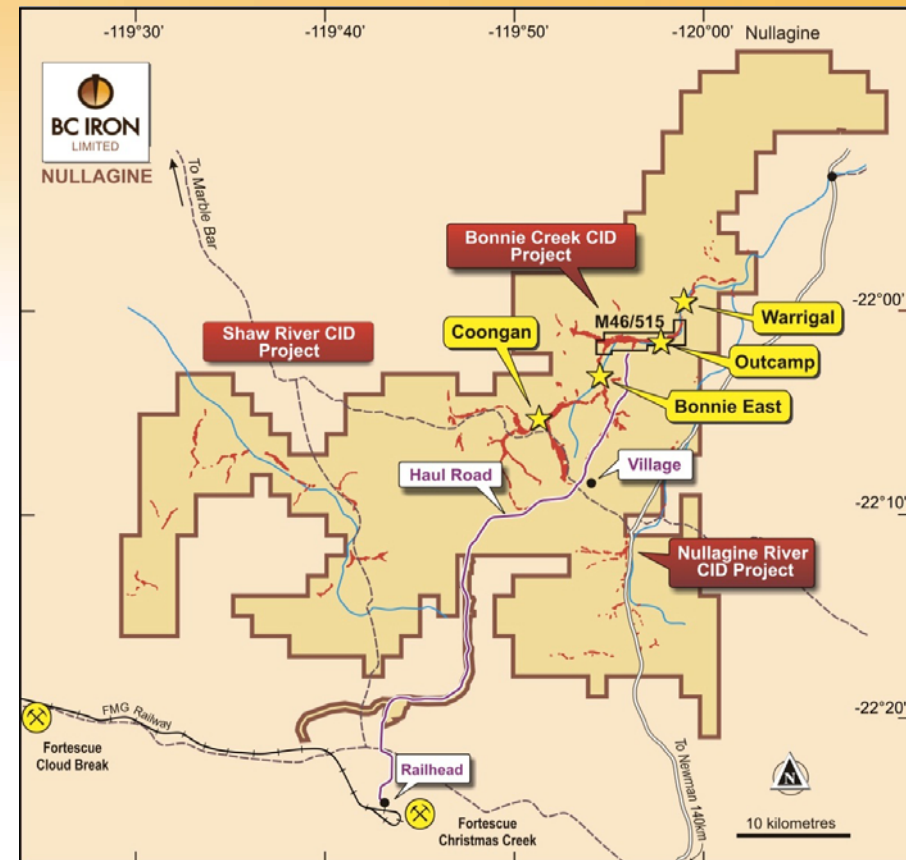


MINING - OVERVIEW



A fully contracted operation - low capital intensity.

- Contract mining by WATPAC, utilising Wirtgen and Vermeer surface miners
- Mine plan comprises four deposits
- Currently mining Outcamp and Warrigal
- Bonnie East commences in FY15 and Coongan in FY17
- Mineralisation from surface and above the water table through Life Of Mine
- LOM strip ratio of 1:1 (maximum strip ratio of 2.3:1 at Coongan in FY17)
- Current mine life of ~7 years
 - ❖ *History of Reserve replacement*
 - ❖ *Assessing extensions to LOM*



MINING – SURFACE MINERS



Mining panels with Surface Miners

Mined material in stocks



Wirtgen & Vermeer Surface Miners

- Rotating drum cutters – no drill & blast
 - ❖ *Environmental benefits, reduced run off*
- Provides primary crushing
- Surface mining results in reduced equipment wear
- 5 units on site – spare capacity



PROCESSING AND LOGISTICS



Crushing / Screening (WATPAC)



- Main plant upgrade now complete
- Additional smaller, mobile unit installed during Feb 2013
- Nameplate rates ~6.5Mtpa
 - ❖ *Sprint capacity*
- Building stockpile 'safety net'

Road Haulage (Toll & Roadtrim)



- Ore trucked via private sealed road to dedicated stockyard at Christmas Creek railhead
- Toll – 8 PowerTrans units (360t), supplemented with 2 'Bigfoot' rigs (160t)
- Roadtrim – 3 Kenworth prime movers with Howard and Porter trailers (currently 175t)

Rail and Port Services (FMG/TPI)

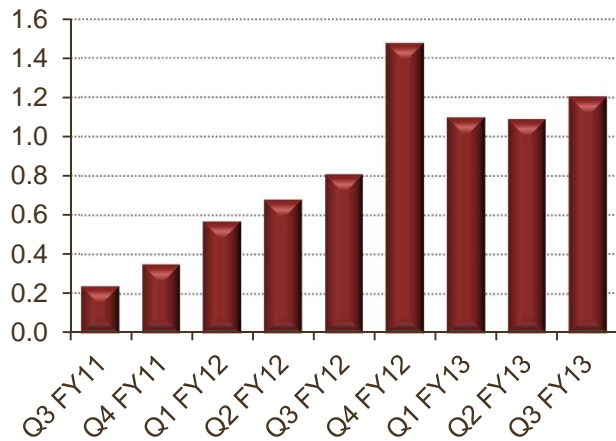


- World class rail and port
- Access to Capesize vessels up to 225,000wmt
- Dedicated NJV stockyards at railhead and port
- NJV capacity of 6Mtpa
- 3.5Mt (BCI share) of charges prepaid (commenced Jan 13)

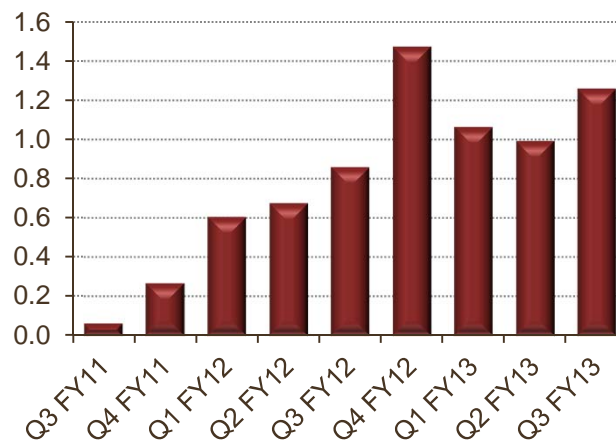
NJV OPERATIONAL PERFORMANCE



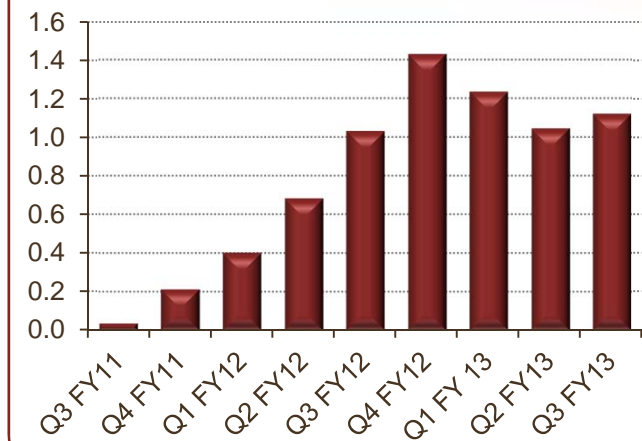
Ore Mined (wmt)



Ore Processed (wmt)



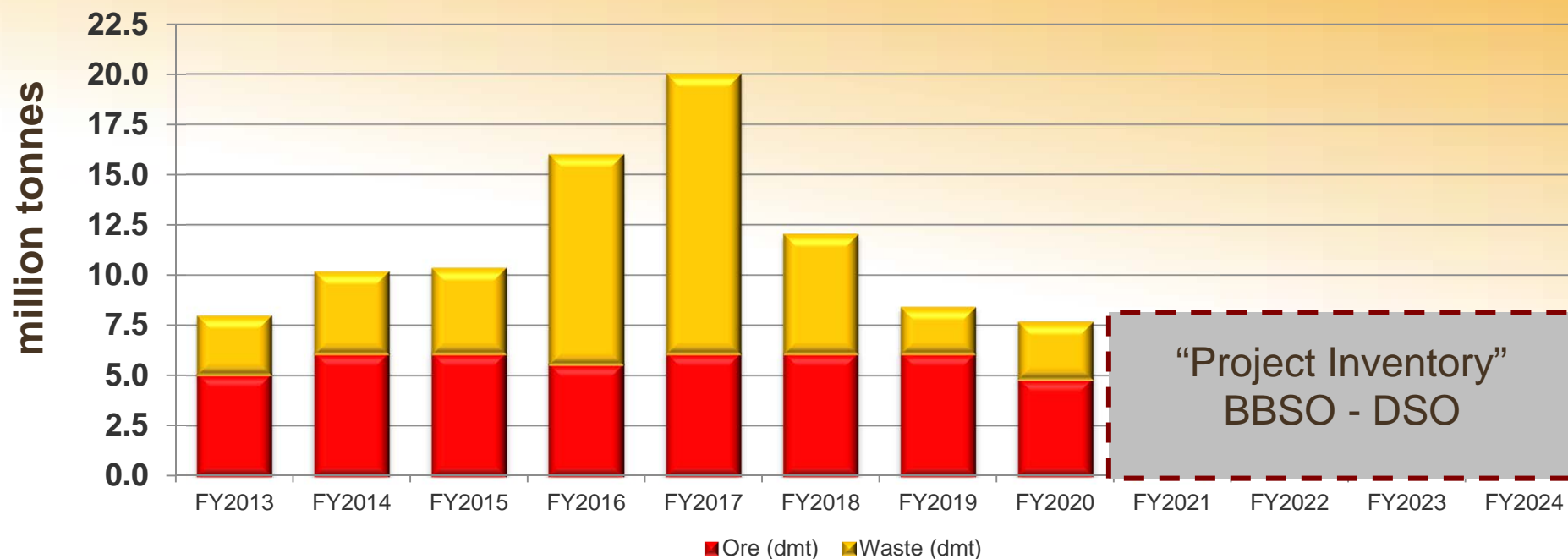
Ore Shipped (wmt)



PRODUCTION RATES



Production Profile & BBSO Exploration Target



Forecast production FY13 to FY20

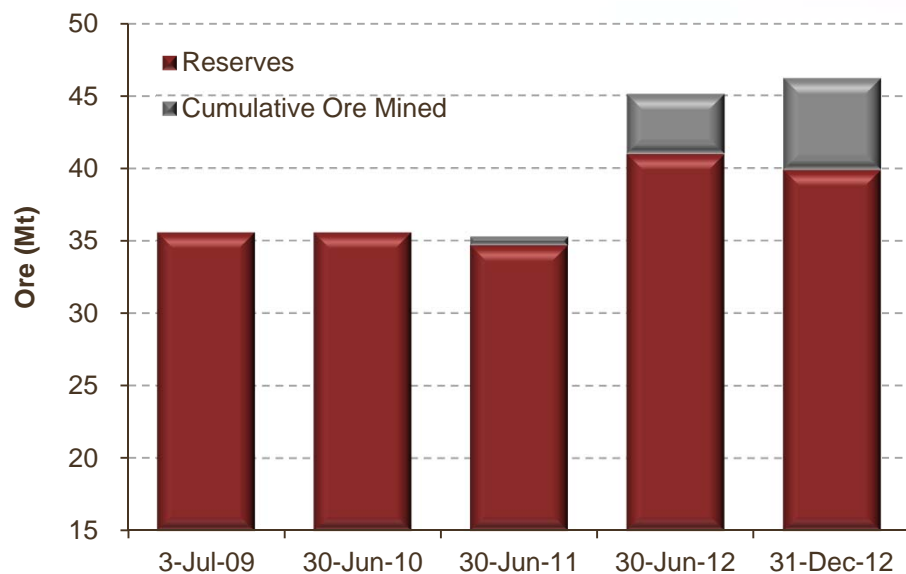
- Based on current mining plan for LOM
- LOM strip ratio of 1:1 → Maximum strip ratio (waste:ore) of 2.3:1 in FY17
- Project Inventory – promising results to date: pit optimisation work and beneficiation work ongoing

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

RESERVE REPLACEMENT & PROJECT INVENTORY



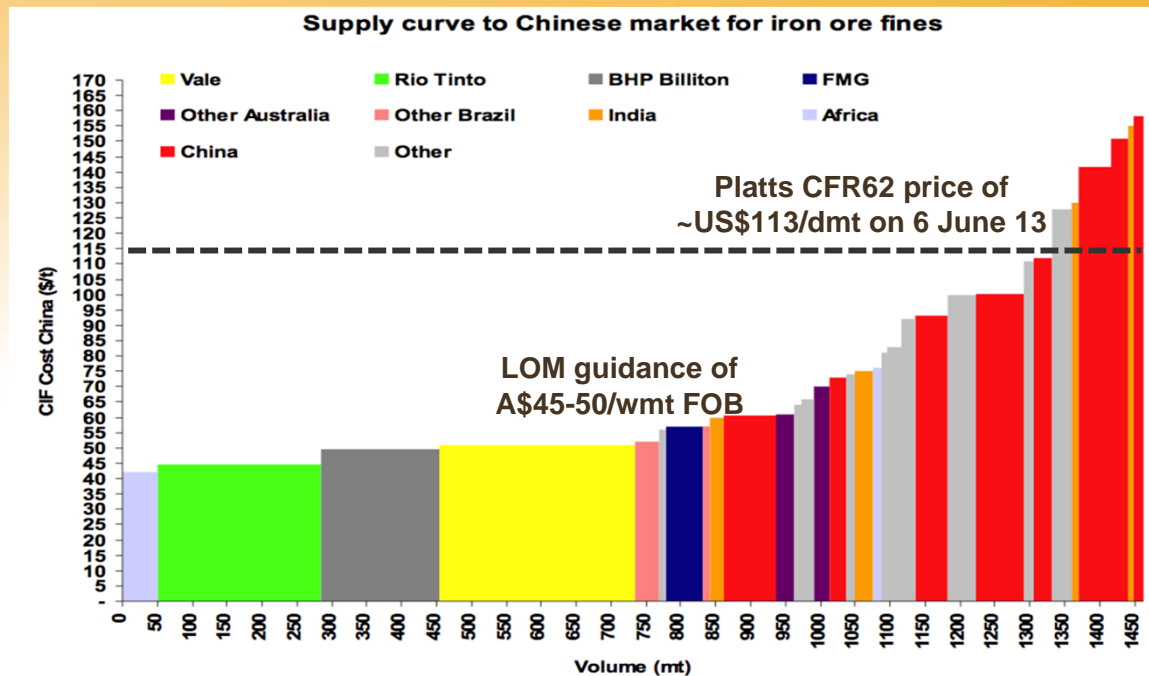
- History of Reserve replacement
 - ❖ *Bonnie East added to Reserves in FY12*
 - ❖ *Grade control drilling delivered increased tonnages for all 4 pits remodeled to date*
- Additional 3 pits expected to be remodeled by end of CY13



- Project Inventory assessing potential for further increases in Reserves and mine life
- Results to date are encouraging
- Optimisation using adjusted DSO Fe grade
 - ❖ *Optimisation work indicates more Resource reports as mineable when Fe grade is lowered slightly*
 - ❖ *Detailed mine planning and economic analysis underway*
- Beneficiation of low grade material to produce a 'BBSO' product (Beneficiate Before Shipping Ore)
 - ❖ *Test work indicates ~50% CID material can be upgraded to Bonnie Fines spec via simple crush, scrub and screen, with yields of ~60%*
 - ❖ *Full scale trial planned for early FY14*
- Future exploration to re-assess previous drilling and consider new targets

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

GUIDANCE



- FY13 JV production guidance ~5Mt (BC iron equity share ~3.2Mt)
- FY14 JV production guidance ~6Mt (BC Iron equity share ~4.5Mt)
- Underlying FOB C1 cash operating costs of A\$45-50/wmt over life-of-mine (varies with waste/ore ratio)
 - ❖ Lower during rail and port prepayment (3.5Mt commencing Jan 13 and expected to end Q2 FY14)
- C1 costs exclude royalties, marketing, head office costs and principal and interest loan repayments
- Forecast JV FY14 capex (sustaining and exploration) of ~A\$20m
 - ❖ Exploration drilling, grade control drilling, haul road maintenance

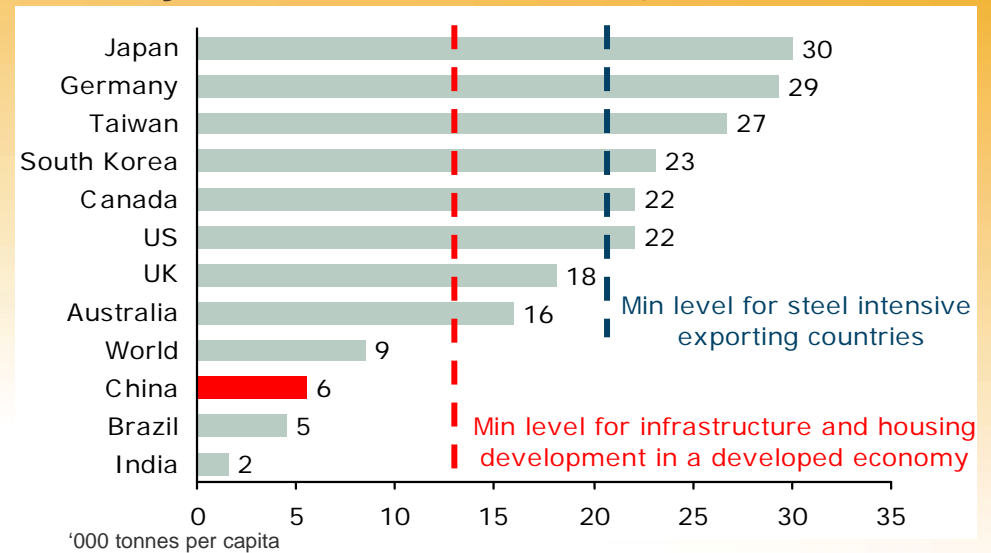
CHINA GROWTH



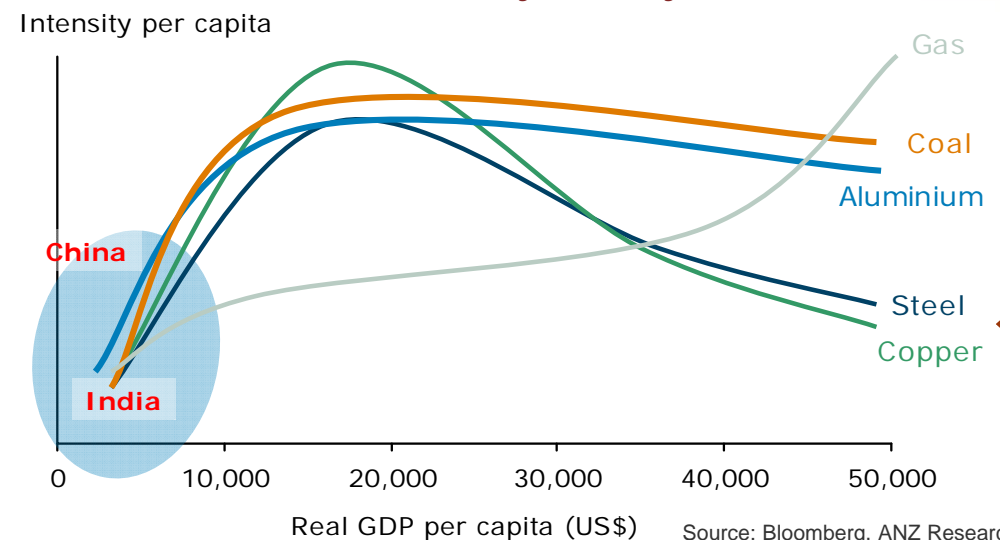
Long term growth to support iron ore industry.

- GDP growth metrics strong, particularly given now the 2nd largest economy in the world
- Urbanisation process expected to continue for the next 30 years
- Current steel intensity levels continue to support future growth
- History indicates that the expected supply will not eventuate as forecast
- China domestic iron ore production remains key marginal source of supply and is generally at the upper end of the cost curve
- Iron ore spot price remains volatile and will not always reflect the macro picture
 - ❖ *Strongly linked to inventories at ports and at mills*

Global Steel Stock Inventory (1950-2012)



Global Commodity Intensity Curves

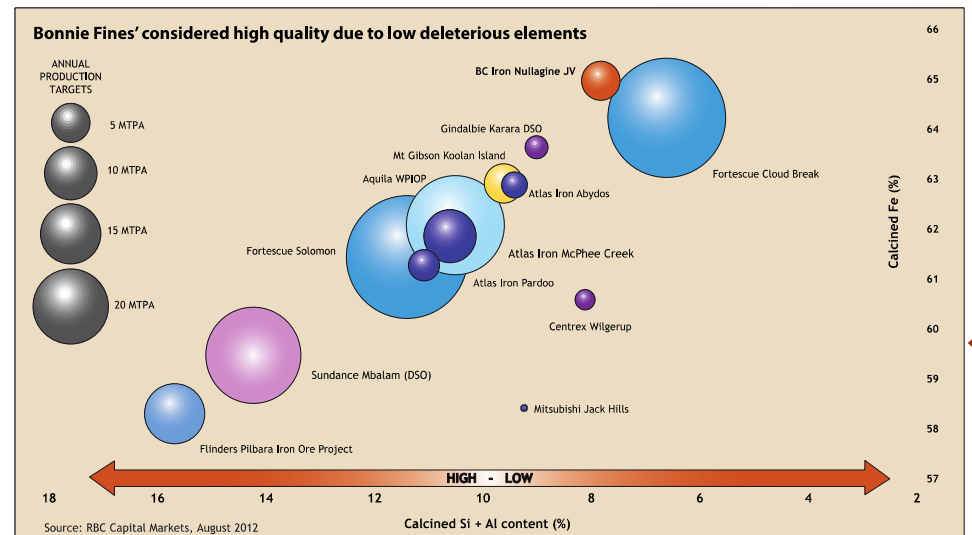
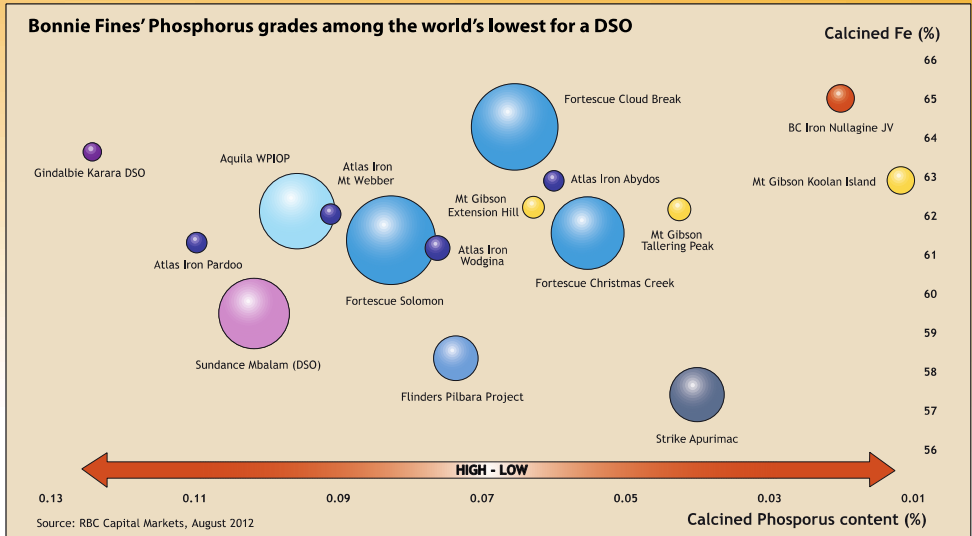


BONNIE FINES OVERVIEW



Bonnies Fines well accepted - consistent demand.

- “Bonnie Fines” pisolite sinter blend improves sintering productivity at the steel mill
- High calcined Fe driven by high Loss On Ignition (LOI)
- Low impurities, low ultra-fines and low moisture
- Low Al and Si a particular advantage in China now, given high gangue ores being sourced from major as well as non-traditional suppliers (e.g. Iran, Indonesia)
- Substitute for BHP Yandi, HIY (Rio Yandi), FMG Special Fines and FMG Super Special Fines
- Can be used at 20-30% level in sinter blends
- FMG provides marketing services to NJV
 - ❖ *Broad customer base*

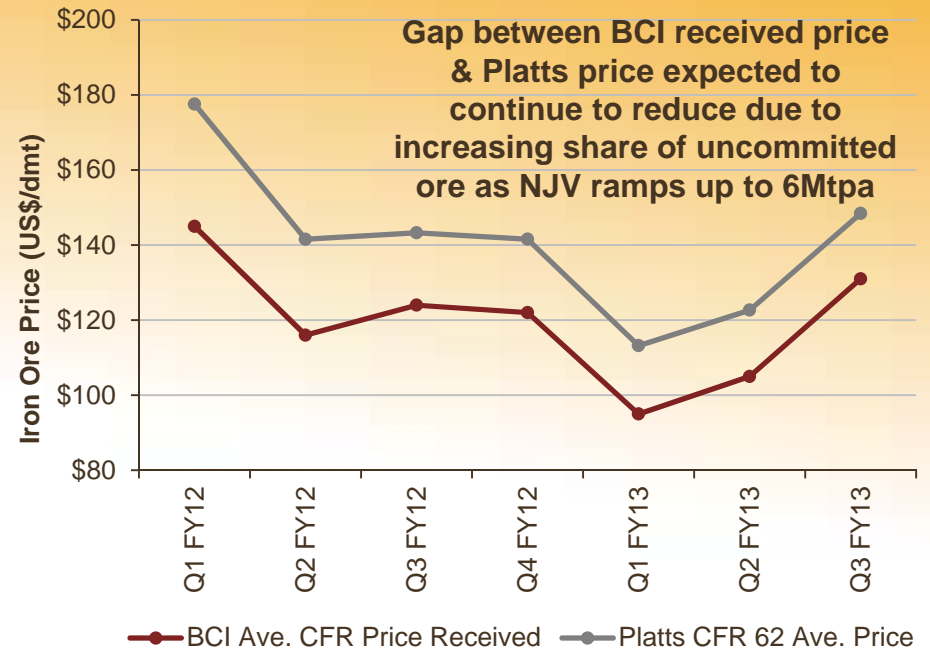


BONNIE FINES MARKETING & PRICING



- ~2.6Mtpa of 6Mtpa NJV production is committed to Henghou over next 6 years at a discount to Platts CFR62 price (after Fe adjustment)
- 'Uncommitted ore' is sold at prices aligned with the Platts CFR62 price (after Fe adjustment) under current market conditions
- FMG transaction structured to increase BC Iron's share of attractively priced uncommitted ore
 - ❖ *BC Iron share of commitment to Henghou remains at ~1.3mtpa, but equity production increasing from 2.5mtpa to 4.5mtpa*
 - ❖ *Results in BC Iron's average received price moving closer to Platts Index CFR62*
- Henghou is a strong supporter of NJV – has also purchased a number of uncommitted shipments

BCI CFR Received Price vs. Platts CFR62 Price



- Price participation arrangement with FMG
 - ❖ *BCI pays 50% of the difference between Platts CFR62 price and US\$120/dmt, multiplied by 158,300 dmt, each month*
 - ❖ *Payable between Apr 13 to Sep 14*

BUSINESS DEVELOPMENT



Goals

- ✓ Retain and enhance ability to pay dividends
- ✓ Generate value for shareholders (risk adjusted) via organic and inorganic opportunities

Three Priorities

- Priority 1 – extend life of NJV (Project Inventory)
 - Priority 2 – rest of Pilbara region
 - Priority 3 – other iron ore jurisdictions



Brazilian Exploration Projects

- 2 MOUs entered into by BC Iron / Cleveland
- Staged earn-in to 3 greenfields exploration projects in Salvador de Bahia and Minas Gerais
- No upfront payments and appropriate staged expenditure provides optionality and upside



APPENDICES

FINANCIAL PERFORMANCE



Half Years	Jun 2011	Dec 2011	Jun 2012	Dec 2012
NJV (100%)				
Tonnes Shipped (m wmt)	0.25	1.09	2.46	2.28
Average CFR price realised (US\$/dmt)	\$161	\$125	\$124	\$100
C1 Cash Costs (A\$/wmt)	N/A	\$64	\$48	\$47
BC IRON				
Revenue (A\$m)	16.4	63.4	141.1	103.8
EBITDA (A\$m)	(2.4)	12.3	56.5	21.6
Net Profit before Tax (A\$m)	0.3	8.9	51.9	15.3
Underlying Profit after Tax (A\$m)	1.0	5.4	45.2	13.3
Earnings per share (cps)	1.1	5.7	43.0	11.1
Return on Shareholders Funds (%)	1.4	7.3	31.1	7.8
Dividend per share (cps)	-	-	15.0	5.0
Dividend payout ratio ¹ (%)	-	-	30.8%	46.0%
Net Cash / (Debt)	(1.5)	14.8	76.1	(81.5)
Cash	17.5	35.6	92.8	58.3

1: Dividend payout ratio is based on the underlying after tax profit.

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.



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.



Morgan Ball, MD and CEO – Former Finance Director of BC Iron. 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.



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 in the Northern Territory.



Mike Young, Non-exec Director – Founding MD of BC Iron, a geologist with extensive experience in resource definition and feasibility studies. Chairman of Cassini Resources Ltd and Energy and Minerals Australia Ltd and Co-Patron of St Bartholomew's Foundation.



Malcolm McComas, Non-exec Director - experienced company director and investment banker. Mr McComas is a NED of Consolidated Minerals, Fitzroy River Corp, Saunders International and Pharmaxis.

ORE RESERVES & MINERAL RESOURCES - 31 DEC '12



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

Classification	Mt	Fe%	CaFe%	Al2O3%	SiO2%	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%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al2O3%	SiO2%	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%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al2O3%	SiO2%	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

COMPETENT PERSONS STATEMENTS



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 a former employee (and current NED) 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.

Ore Reserves are a subset of DSO Resources and DSO Resources are a subset of the CID Resource. The full Mineral Resource Estimate and Ore Reserves statement can be found at <http://www.bciron.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 a former employee (and current NED) 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.

IMPORTANT NOTICE



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

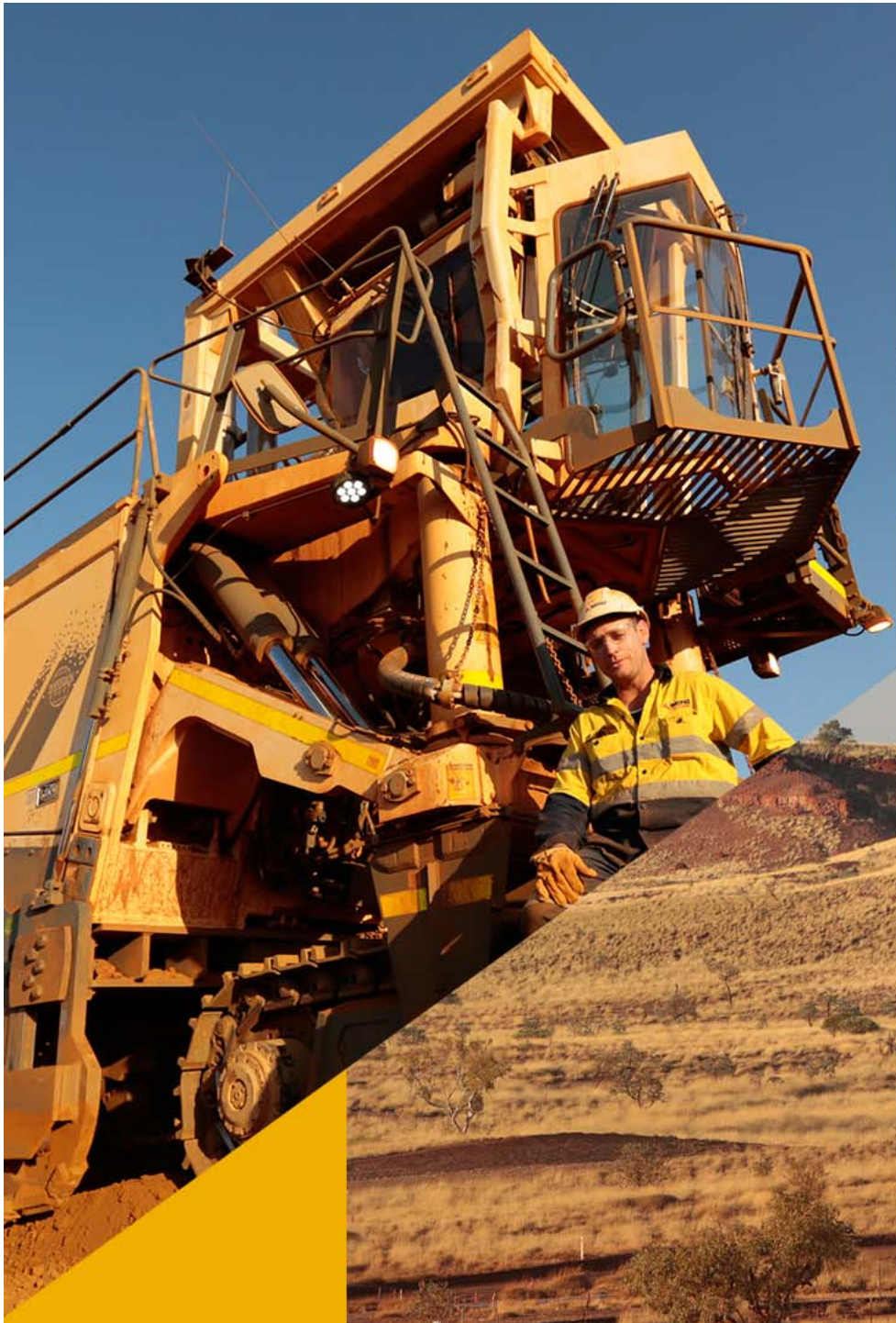
This document contains “forward-looking” statements or projections based on current expectations. Forward looking words such as, “expect”, “anticipate”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify 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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LIMITED

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