

28 August 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

BC Iron Limited (ASX:BCI)

Following is a presentation on BC Iron Limited's 2013 annual results which will be given at investor briefings in Sydney and Melbourne on 28 to 30 August 2013.

Yours faithfully



Anthea Bird
Company Secretary



Full Year Results – 30 June 2013

Morgan Ball – Managing Director



28 Aug '13

ATTRACTIVE INVESTMENT PROPOSITION



- ✓ **Scale & liquidity:** ASX 300 member, liquidity significantly enhanced post Dec 12
- ✓ **TSR focus:** Outperformed peers on TSR basis during FY13
- ✓ **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\$46-50/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



FY2013 – YEAR IN REVIEW



Key achievements of BC Iron and the NJV in FY2013:

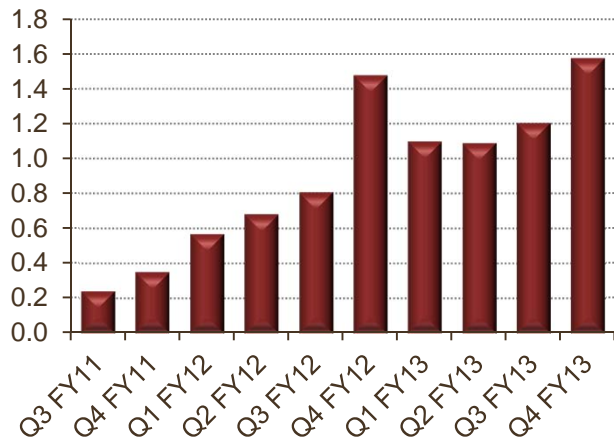
- ✓ Shipped a record 5.0Mt (BC Iron share - 3.15Mt) a 41% increase
- ✓ Achieved EBITDA of \$115.3M up 63%
- ✓ Cash balance of \$138.5M after additional debt payment of US\$30M ahead of schedule
- ✓ Declared a fully franked final dividend of 30.0 cents per share
- ✓ Completed the Fortescue transaction including:
 - Increasing NJV ownership to 75%
 - Increasing NJV infrastructure access from 5.0 to 6.0Mtpa
 - Prepaying for 3.5Mt of BC Iron share of rail haulage and port services
- ✓ Achieved 6Mtpa production rate in April '13 ahead of schedule
- ✓ Morgan Ball appointed Managing Director



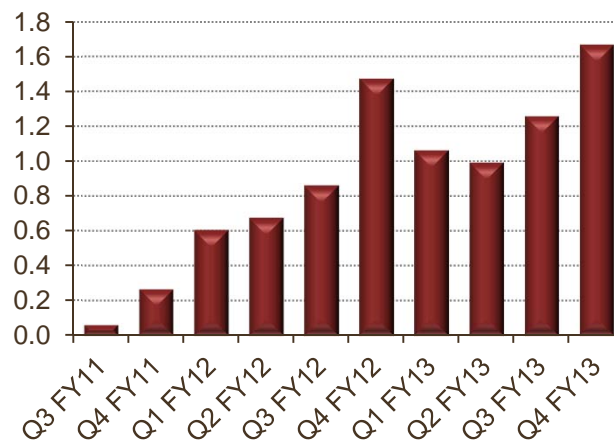
NJV OPERATIONAL PERFORMANCE



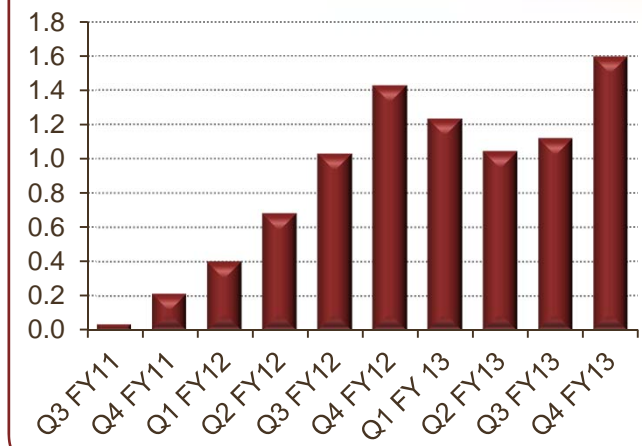
Ore Mined (wmt)



Ore Processed (wmt)



Ore Shipped (wmt)



FY2013 – RESULTS COMMENTARY



- ✓ Record revenue of \$325.3M up 59%
- ✓ EBITDA of \$115.3M up 63%
- ✓ Underlying NPAT of \$71.4M up 41% (Statutory NPAT of \$48.8M)
- ✓ Fully franked final dividend of 30.0 cents per share
- ✓ FY2013 total dividend of 35.0 cents per share at a payout ratio of 60% on underlying profit after tax
- ✓ Total Shareholder Return for FY2013 of 37.2%
- ✓ Following the Fortescue transaction, moved from Net Debt of \$78M at 31 December 2012 to Net Cash of \$35M at 30 June 2013



FY2013 – COMPANY PERFORMANCE



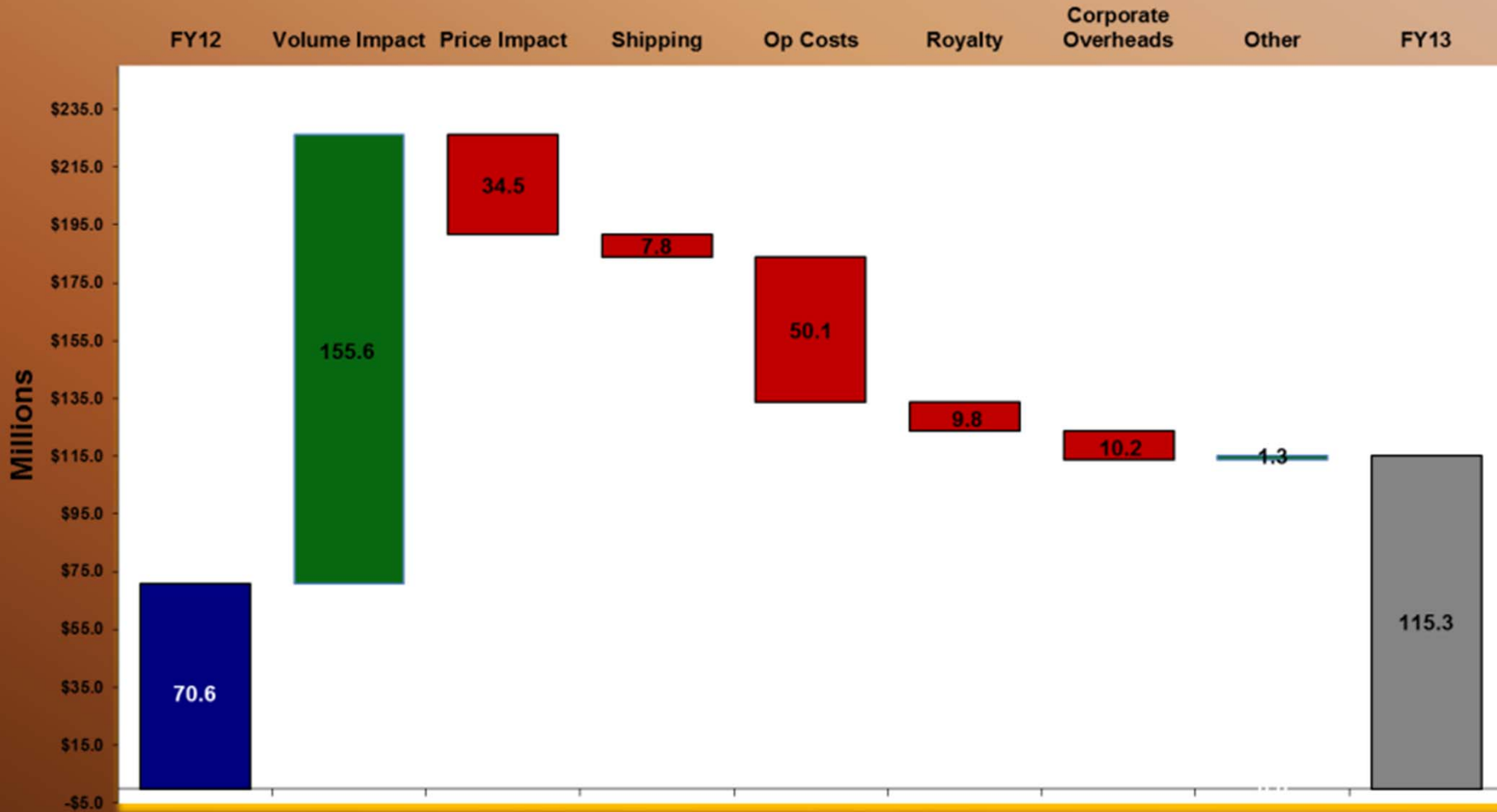
Full Year ended 30 June 2013	2013	2012	Variance	Variance
NJV (100%)				
Tonnes Shipped (millions – wmt)	5.00	3.55	1.45	41%
Tonnes Shipped - BC Iron share (millions – wmt)	3.15	1.77	1.38	78%
Average CFR price realised (\$US/dmt)	\$112	\$124	(\$12)	(10%)
C1 Operating Cash Cost (\$/wmt)	\$38	\$55	(\$17)	(40%)
BC IRON (\$M)				
Revenue	325.3	204.5	120.8	59%
EBITDA	115.3	70.6	44.7	63%
Net Profit after Tax	48.8	50.6	(1.8)	(4%)
Net Underlying Profit after Tax	71.4	50.6	20.8	41%
Operating cash flow - after prepayment	87.2	89.9	(2.7)	(3%)
Cash balance	138.5	92.8	45.7	49%
Dividend per share - interim + final (cps)	35.0	15.0	20.0	133%
Earnings per share* (cps)	57.9	48.7		
Return on Shareholders Funds*	32.9%	38.4%		
Dividend payout ratio*	60%	31%		

Note: * - calculated on net underlying profit after tax

FY2012 to FY2013 – EBITDA ANALYSIS



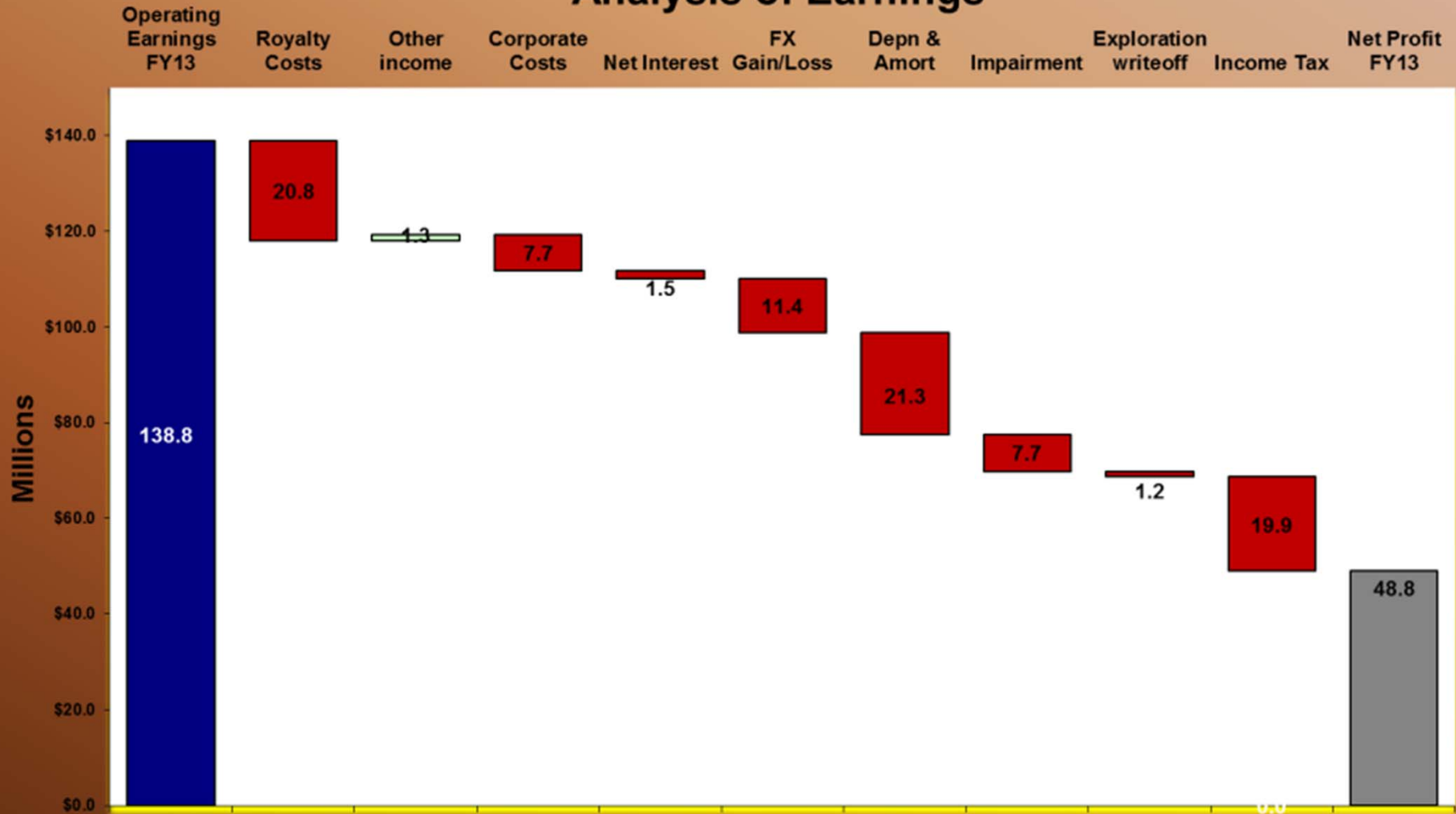
EBITDA Analysis



FY2013 – EARNINGS ANALYSIS



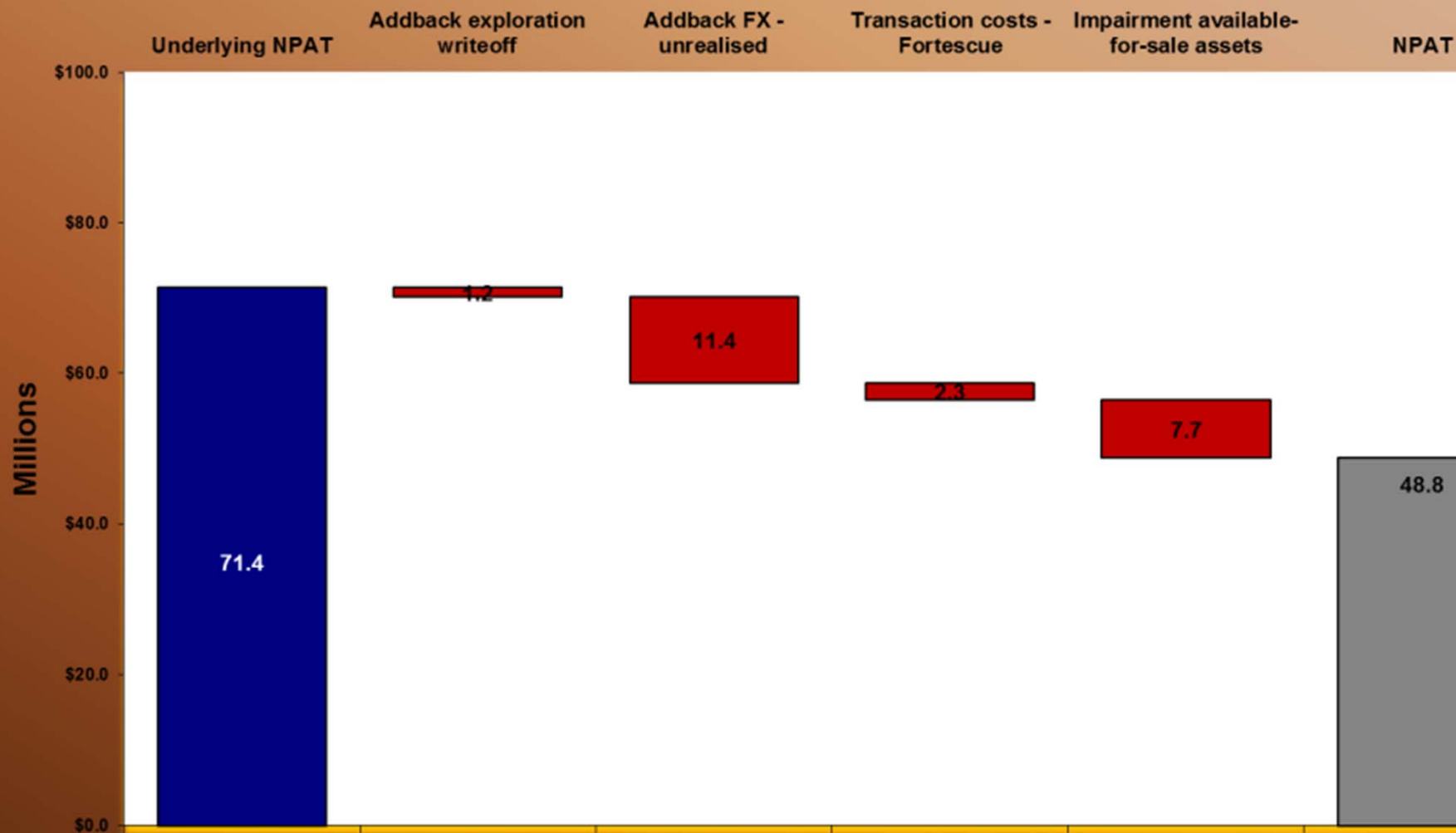
Analysis of Earnings



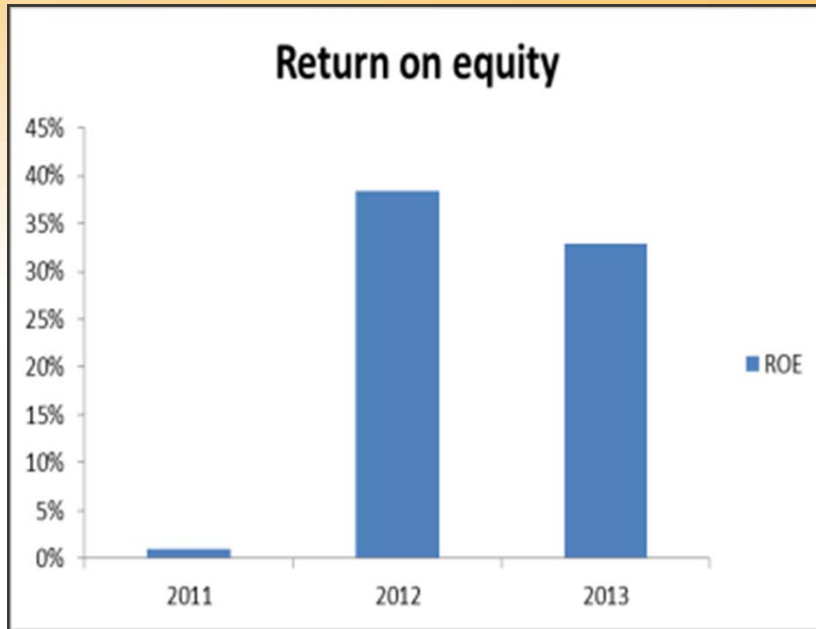
FY2013 – NPAT ANALYSIS



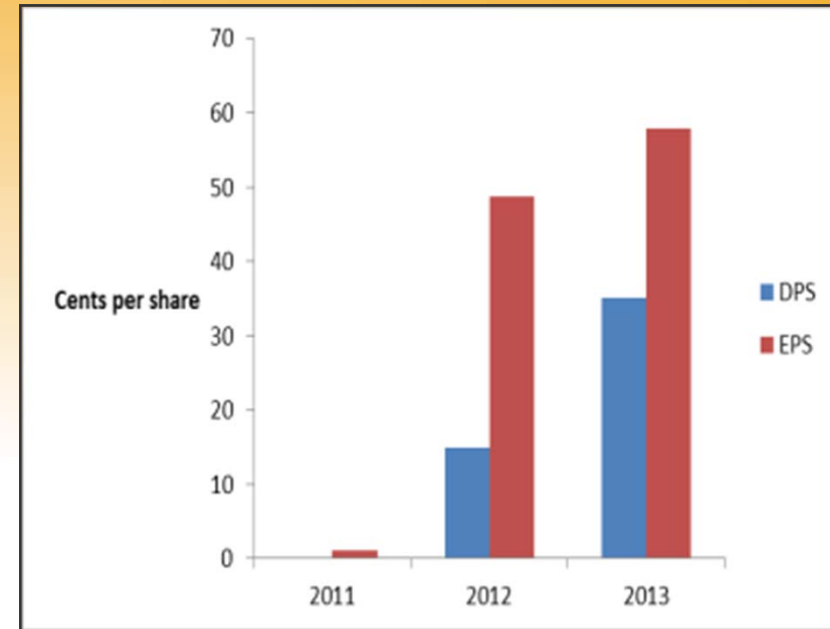
NPAT Analysis



FY2013 – FINANCIAL ANALYSIS

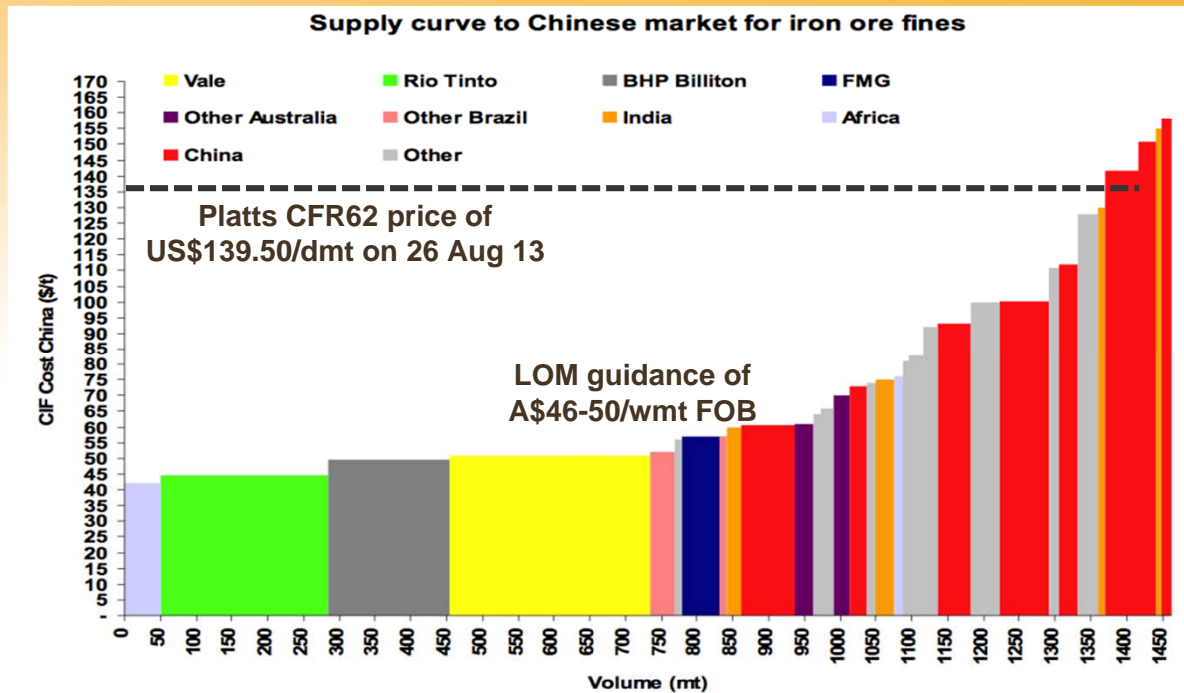


- ✓ Calculated on Underlying Net Profit
- ✓ FY2013 ROE only reflects 6 months of earnings post the Fortescue transaction



- ✓ Calculated on Underlying Net Profit
- ✓ Board focus on Total Shareholder Return
- ✓ Dividend per Share of 35.0 cents in relation to FY2013 up from 15.0 cents in relation to FY2012

FY2014 - GUIDANCE



- FY13 JV production – achieved guidance of 5Mt (BC iron equity share 3.15Mt)
- FY14 JV production guidance ~6Mt (BC Iron equity share ~4.5Mt)
- Underlying FOB C1 cash operating costs of A\$46-50/wmt over life-of-mine (varies with waste/ore ratio)
- C1 costs exclude royalties, marketing, head office costs and loan interest payments
- Forecast FY14 capex (sustaining and exploration) of ~A\$20m
 - ❖ *Exploration drilling, grade control drilling, haul roads and improvements*

CORPORATE OVERVIEW



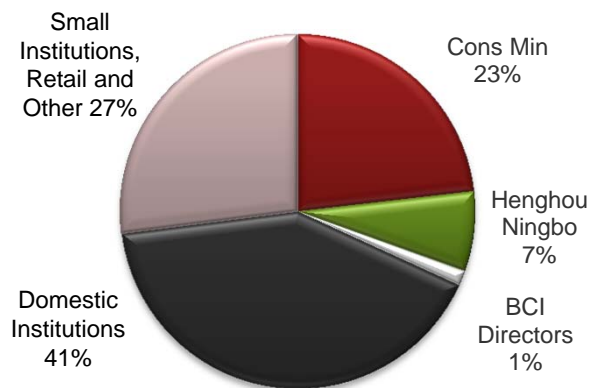
Capital Structure

Ordinary Shares	123.5m
Share Price (at 23-Aug-13)	\$3.85
Market Capitalisation	\$475m
Cash (at 30-Jun-13)	\$138m
Debt (at 30-Jun-13)	\$106m
Enterprise Value	\$443m
Options / Performance Rights	1.4m

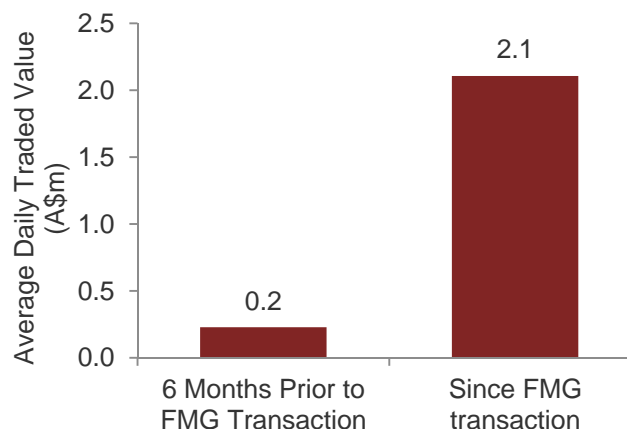
Share Price and Volume



Shareholder Breakdown (Aug '13)



Enhanced Liquidity



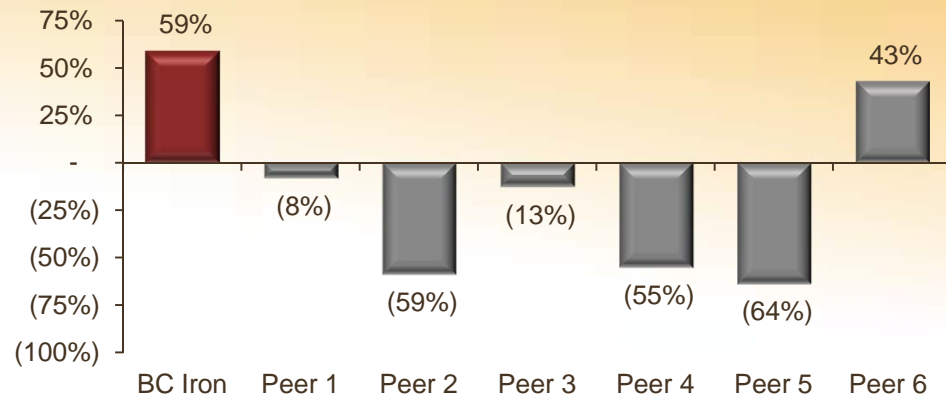
Research Coverage



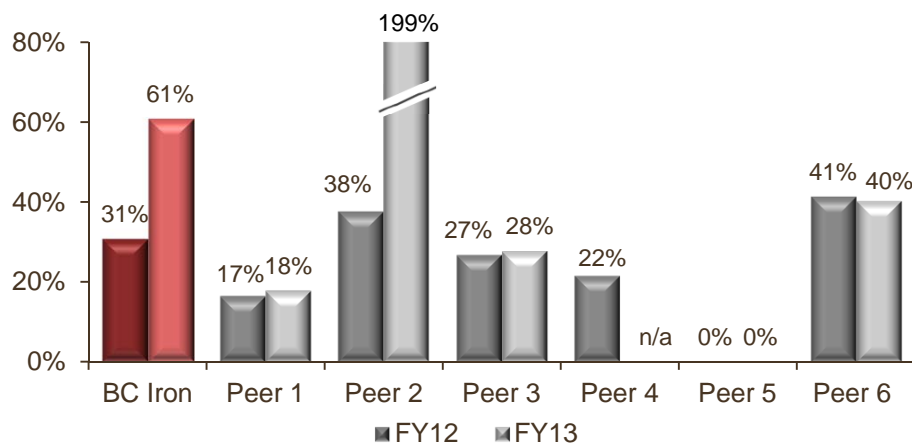
PEER COMPARISON



Total Shareholder Return – 1 Jul 12 to Current



Dividend Payout Ratio



Why has BC Iron outperformed its peers?

- Quality project with low capital intensity
 - ❖ *Low risk*
- Continued strong operational performance
 - ❖ *Repeated delivery against guidance*
- Strong management and appropriate capital structure
- Completion of FMG transaction
 - ❖ *NPV per share, CFPS and EPS accretive*
 - ❖ *80% increase in equity production to 4.5Mtpa*
- Increased institutional ownership and liquidity
- Attractive payout ratio of fully franked dividends

Note: Based on underlying NPAT if reported. 1H13 used where a peer has not reported FY13 results and final dividend. Peer 4 reported an underlying loss and therefore a dividend payout ratio is not applicable.

NULLAGINE JOINT VENTURE (NJV)

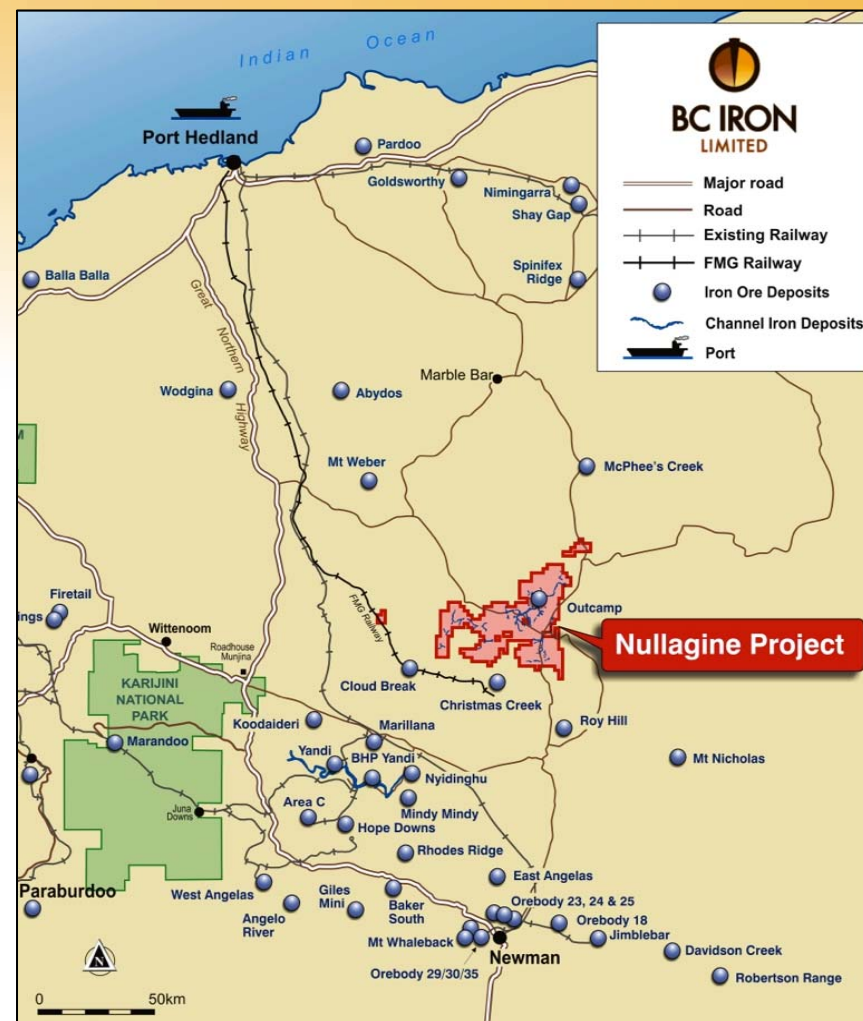


A producing DSO project with access to world-class infrastructure.

- 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*” well established in Chinese market

As at 30 June 2013

	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Total Reserves	37.2	57.1	64.9	1.9	3.0	0.015	0.012	12.0
Total DSO Resource	48.8	57.1	64.7	2.1	3.1	0.016	0.012	11.8
Total CID Resource	117.7	53.4	60.7	4.0	5.2	0.020	0.015	12.1

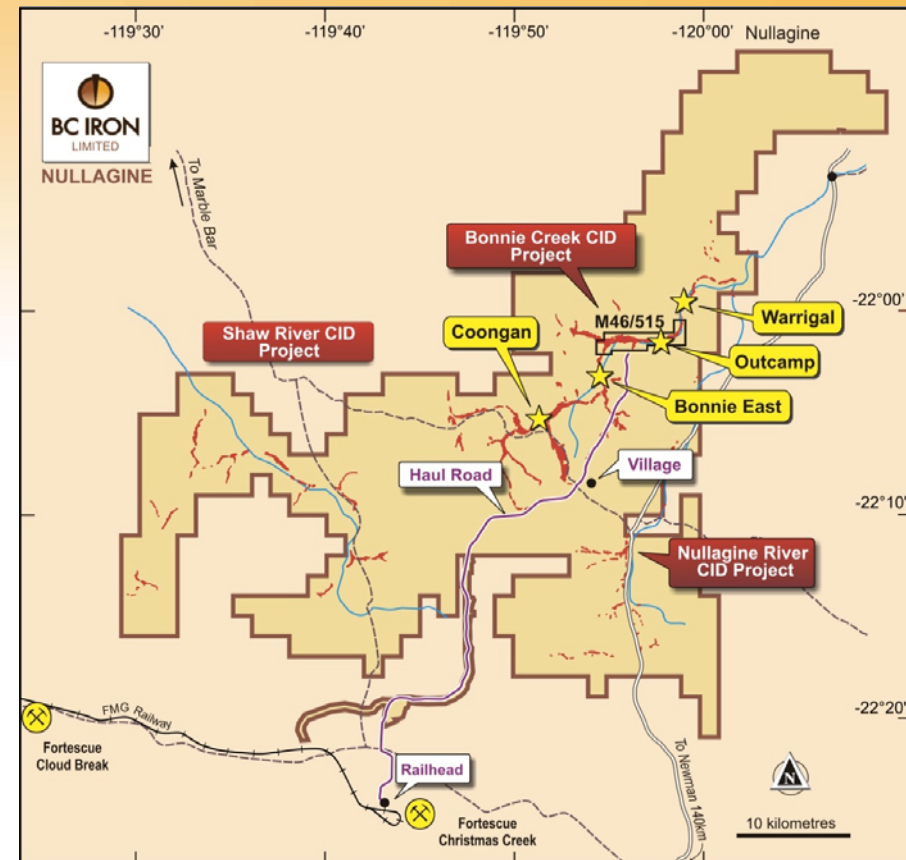


MINING - OVERVIEW

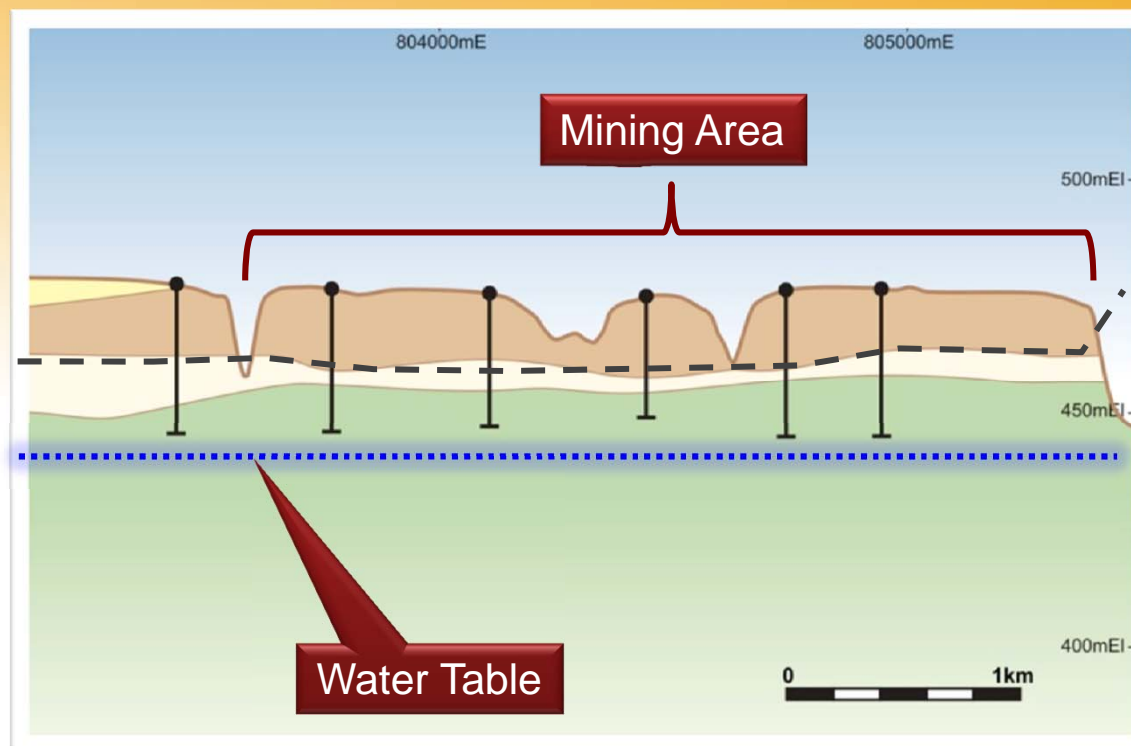


A fully contracted operation - low capital intensity.

- Contract mining by WATPAC, utilising Wirtgen and Vermeer surface miners
- Mine plan comprises four major 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 - OVERVIEW



- Low Fe CID
- DSO
- Channel Clays
- Fortescue Group Basalt

- Shallow “pits” using surface mining
- Above water table - lower environmental impact, no wet ore.

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)
- Roadtrim – 3 Kenworth prime movers with Howard and Porter trailers (currently 175t)

Rail and Port Services (FMG/TPI)

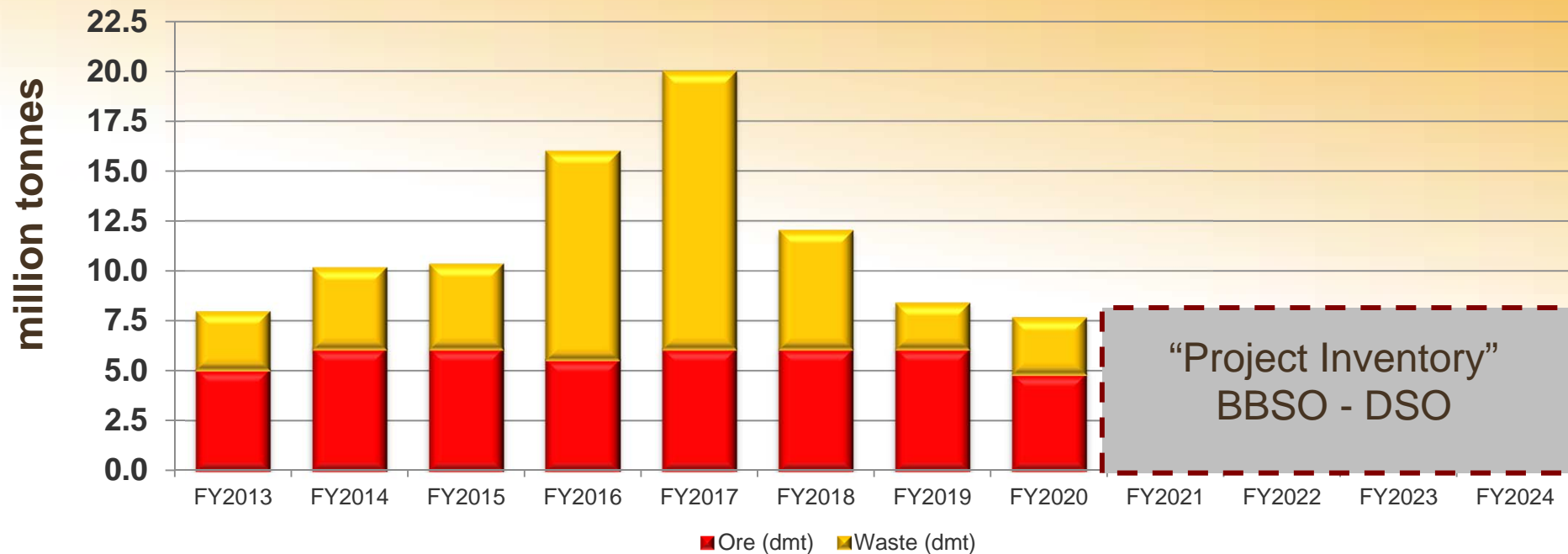


- World class rail and port
- Access to Capesize vessels up to 250,000wmt
- Dedicated NJV stockyards at railhead and port
- NJV capacity of 6Mtpa
- 3.5Mt (BCI share) of charges prepaid (commenced Jan 13)

PRODUCTION RATES



Production Profile & BBSO Exploration Target



Forecast production FY13 to FY20

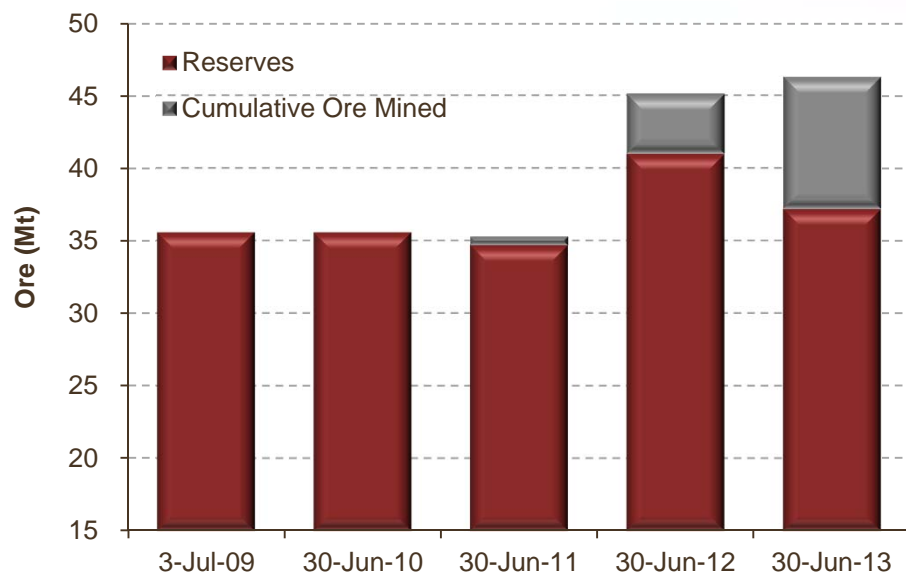
- Based on current mining plan for LOM
- LOM strip ratio of 1:1 → Maximum strip ratio (waste:ore) of 2.3:1 in FY17
- Project Inventory – promising results to date: beneficiation work ongoing

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 5 pits remodeled to date*
- Additional 2 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
- 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 FY14*
- Optimisation using adjusted DSO Fe grade
- Future exploration to re-assess previous drilling and consider new targets

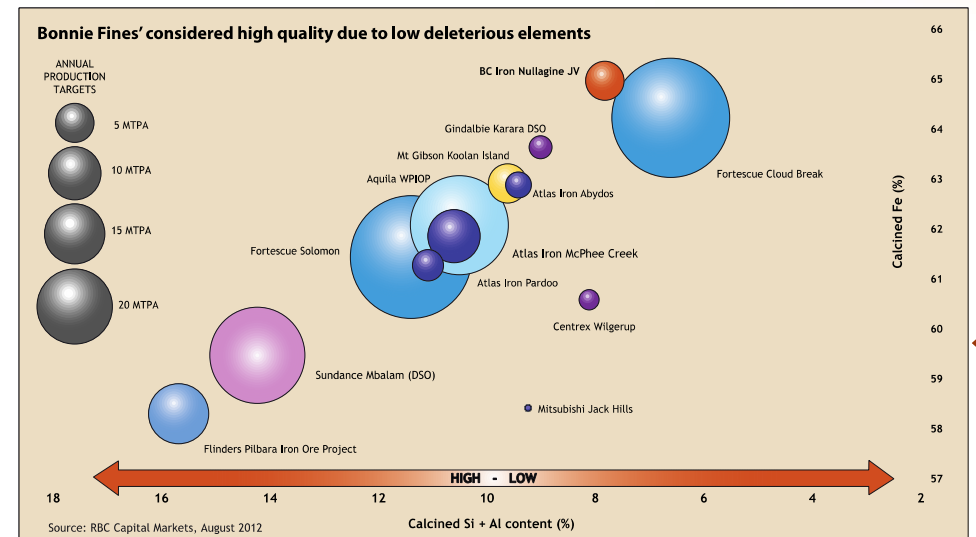
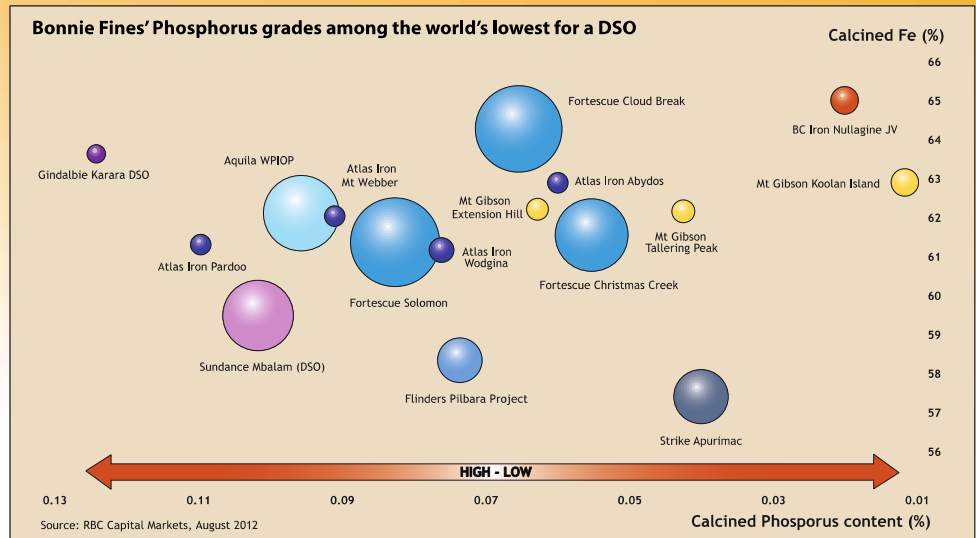
Note: Project Inventory is an Exploration Target and further work may not result in mineral resources or ore reserves

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*

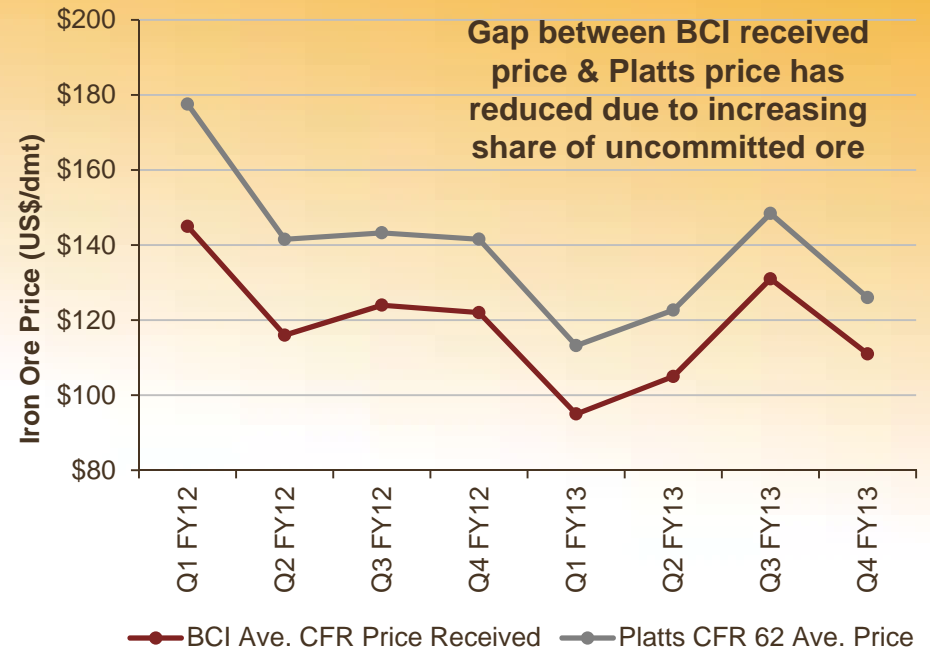


BONNIE FINES MARKETING & PRICING



- ~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 and WA**
 - Priority 3 – other iron ore jurisdictions



Brazilian Exploration Projects

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



APPENDICES

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 - 30 JUN '13



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

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Proved	18.9	57.3	65.0	1.8	3.0	0.015	0.012	11.8
Probable	18.3	56.9	64.8	2.0	3.0	0.014	0.011	12.2
Total	37.2	57.1	64.9	1.9	3.0	0.015	0.012	12.0

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

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	21.8	57.2	64.8	2.0	3.1	0.016	0.012	11.8
Indicated	20.2	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	48.8	57.1	64.7	2.1	3.1	0.016	0.012	11.8

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

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	31.1	54.7	62.4	2.8	4.1	0.017	0.013	12.4
Indicated	40.0	53.8	61.6	3.3	4.5	0.017	0.012	12.8
Inferred	46.6	52.1	58.8	5.4	6.6	0.024	0.018	11.3
Total CID	117.7	53.4	60.7	4.0	5.2	0.020	0.015	12.1

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.



BC IRON
LIMITED

Level 1, 15 Rheola Street
West Perth, WA, Australia
Phone : +61 8 6311 3400
email : info@bciron.com.au
www.bciron.com.au