



# BC IRON LIMITED

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## **CHAIRMAN'S ADDRESS TO THE 2007 ANNUAL GENERAL MEETING TO BE HELD WEDNESDAY 21 NOVEMBER 2007**

BC IRON LISTED ON THE AUSTRALIAN SECURITIES EXCHANGE IN DECEMBER 2006 FOLLOWING ITS INITIAL CAPITAL RAISING OF \$6,000,000.

BASED ON THE IPO PRICE OF 25 CENTS, BC IRON WAS CAPITALISED AT \$13.5M WHEREAS YESTERDAY IT HAD A MARKET CAPITALISATION AROUND \$95M. WHILST WE HAVE ENJOYED THE BENEFITS OF A STRONG MARKET, THE INCREASED CAPITALISATION IS ALSO REFLECTIVE OF THE EXPLORATION RESULTS ACHIEVED TO DATE.

AS I NOTED IN THE CHAIRMAN'S LETTER IN THE 2007 ANNUAL REPORT, BC IRON, IMMEDIATELY FOLLOWING ITS LISTING, COMMENCED EXPLORATION AND DEVELOPMENT AT ITS NULLAGINE PROJECT IN THE MANNER PROMISED TO INVESTORS – AS MIKE YOUNG AND MYSELF SAID WHEN WE WERE DOING THE ROADSHOWS FOR THE COMPANY'S INITIAL RAISING, BC IRON WASN'T A LIFESTYLE COMPANY AND WOULD GIVE ITS EXPLORATION A "RED HOT GO".

IT IS FAIR TO SAY THAT BC IRON HAS NOT STOOD STILL SUNNING ITSELF IN THE STRONG PRICE FOR IRON ORE AND STRONG PRICING OF SHARES ON ASX IN IRON ORE MINERS AND EXPLORERS. BC IRON HAS GOT ON WITH THE JOB AT HAND CARRYING OUT ITS WORK DILIGENTLY AND IN A DELIBERATE MANNER WITH THE SOLE INTENT OF PROVING A MINEABLE RESOURCE AT ITS PROJECT.

RESULTS OF OUR EXPLORATION ACTIVITIES TO DATE HAVE BEEN EXTREMELY ENCOURAGING AND, IN MY VIEW, POINT TO A COMMERCIAL OPERATION AT THE NULLAGINE PROJECT IN THE NOT TOO DISTANT FUTURE. MIKE YOUNG WILL EXPAND UPON THE RESULTS TO DATE WHEN HE MAKES HIS PRESENTATION AT THE CONCLUSION OF THE MEETING.

THE MANNER IN WHICH THE EXPLORATION AND DEVELOPMENT HAS BEEN UNDERTAKEN IS A CREDIT TO MIKE AND HIS TEAM WHICH INCLUDES TONY GREENAWAY AS THE SENIOR PROJECT GEOLOGIST.



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SECURING THE MEMORANDUM OF UNDERSTANDING WITH FORTESCUE METALS GROUP DURING THE YEAR, ALTHOUGH NON-BINDING, IS IMPORTANT GIVEN THE NEED FOR SUITABLE INFRASTRUCTURE FOR IRON ORE PROJECTS. AS I ALSO NOTED IN THIS YEARS ANNUAL REPORT, EXTENDING THE MOU TO POSSIBLE FUTURE DISCUSSIONS REGARDING MINE GATE SALES UNDERLINES THE OPTIONS AVAILABLE TO BC IRON SHOULD ITS PROJECT ENTER PRODUCTION.

ONE WOULD NEED TO BE LIVING IN A VACUUM IF THEY WEREN'T AWARE OF THE CONTINUING FORECAST STRONG DEMAND FOR IRON ORE THROUGHOUT THE WORLD, PARTICULARLY IN CHINA AND IN OTHER DEVELOPING NATIONS. ANALYSTS SEEM TO BE COMMON IN THEIR VIEW THAT THE PRICE OF IRON ORE WILL REMAIN STRONG AND CONTINUE TO INCREASE.

BC IRON AND ITS SHAREHOLDERS ARE CLEARLY PLACED TO TAKE ADVANTAGE OF THIS.

I WOULD LIKE TO COMMENT ON THE DIRECTORS OF BC IRON WHOSE RESPECTIVE PROFILES AND EXPERIENCES ARE SET OUT IN THE ANNUAL REPORT. IN MY OPINION, AND ASSESSED AS A COLLECTIVE UNIT, THE BOARD MAKES AN EXTREMELY VALUABLE CONTRIBUTION TO THE DIRECTION OF THE COMPANY. ADDITIONALLY, THE BOARD OFFERS TO MANAGEMENT A RESOURCE BASE OF SKILLS IN GEOLOGY, METALLURGY, ENGINEERING, FINANCE, LEGAL AND GENERAL BUSINESS AND MINING EXPERIENCE WHICH CAN BE DRAWN UPON AT ANY TIME. WHILST THE DIRECTORS DO NOT MANAGE THE COMPANY ON A DAY TO DAY BASIS, THEY HAVE AND WILL CONTINUE TO HAVE A POSITIVE AND DIRECT INFLUENCE ON ITS DIRECTION.

I WOULD ALSO LIKE TO CONGRATULATE THE MANAGING DIRECTOR, MIKE YOUNG ON HIS EFFORTS TO DATE.

ALL IN ALL, THE LAST YEAR HAS BEEN VERY SUCCESSFUL FOR BC IRON AND I KNOW ALL SHAREHOLDERS JOIN WITH ME IN EXPRESSING GREAT ENTHUSIASM FOR ITS FUTURE.

THANK YOU