

12 May 2011

Company Announcements Office
Australian Securities Exchange

BC Iron Limited (ASX:BCI)

Please find attached the Company Presentation that Managing Director, Mike Young will be presenting tomorrow at the RIU Resources Round Up in Sydney.

Yours sincerely



Morgan Ball
Company Secretary



BC IRON LIMITED

Company Update

May 2011
Mike Young – CEO & MD
Morgan Ball – CFO

Points of difference:

- Iron ore producer and exporter
 - Exports commenced in Feb 2011
 - Production at 3Mtpa by mid-2011
 - Ramp up to 5Mtpa by early-2012
- Rail and Port infrastructure secure
 - Joint Venture with Fortescue Metals
 - Fortescue Chichester Hub to Port Hedland
- Quality product – “*Bonnie Fines*”
 - Direct Ship Ore – CID pisolite fines
 - Excellent sinter blend with low impurities
- Simple operation
 - Significant de-risking during Q3 FY12
 - Dig → crush → truck → rail → ship → \$\$\$





First drill hole, April 2007

2006 to 2010 : Rapid Growth

- **2006** – Listing on Australian Securities Exchange
- **2007** – Discover of iron ore at Outcamp Well
- **2008-2009** – Drilling, Feasibility, JV with Fortescue
- **2010** – Construction and Mining commences
- **2011** – Iron ore exports commence



First ore on ship, February 2011



Board of Directors BC Iron at the Nullagine JV

The ore stockpile from the Trial Mining carried out in 2H 2009 can be seen in the background.

Trial mining was a main recommendation of the Feasibility Study and served to de-risk the project by confirming important assumptions in the Study and confirmed the method of surface mining as viable.

The stockpile's tonnage and grade were 13% better than predicted in the resource model supporting the estimation methods.

(L to R) Mike Young, Steve Chadwick, Tony Kiernan, Terry Ransted and Glenn Baldwin

Mike Young (50) MD and CEO – a geologist with extensive experience in resource definition and feasibility in variety of commodities including gold, copper, uranium and iron ore. NED of Waratah Resources Limited.

Tony Kiernan (60) Non-exec Chairman – a solicitor with extensive experience in management and operation of Australian public companies. Chairman of Venturex Ltd and NED Chalice Gold and Uranium Equities

Glenn Baldwin (38) Non-exec Director – a mining engineer experienced in project assessment and development. Group CEO with Consolidated Minerals Limited a >1.2 mtpa Mn producer.

Steven Chadwick (57) Non-exec Director - a metallurgist with technical, operational and management roles in base metals and gold mining and processing. A NED of NGM Resources Limited.

Terry Ransted (55) – Non-exec Director – a geologist with Alkane Resources managing exploration and development programs. Experience in iron ore at Hamersley and Yandicoogina pisolite deposit.

Code:	ASX:BCI
Shares	94.4 m
Unlisted Options	10.2 m
Fully Diluted	104.6 m
Market Cap fully diluted @ A\$2.80	A\$293 m
Gross Cash at Mar 2011	A\$25 m
	(BC Iron Limited A\$17.5 m)
	(NIOJV (50%) A\$7.5 m)
Debt as at Mar 2011	A\$24 m
EV as at Mar 2011	A\$292
Major shareholders:	
Consolidated Minerals	22.1%
Regent Pacific	19.5%
Directors	4.0%
Institutions ~ 40% (incl. Regent) / Retail ~ 60%	
50% Australian / 50% Overseas	

Senior Management Team

Blair Duncan - Chief Operations Officer

Morgan Ball - Chief Financial Officer

John McCarthy – Resident Manager, BCIN

Greg Hudson - Chief Geologist

Gerry Bradley – Sustainability Manager

The BC Iron team has the breadth of experience and passion to deliver the project outcomes, to grow the company and deliver shareholder value now and into the future

INTEGRITY - MINING - SUCCESS

Bungaroo Project (BCI 100%)

- Bungaroo near RIO Tinto's Bungaroo Creek & IOH Buckland Hills
- CID mineralisation present with exploration in 2011 field season

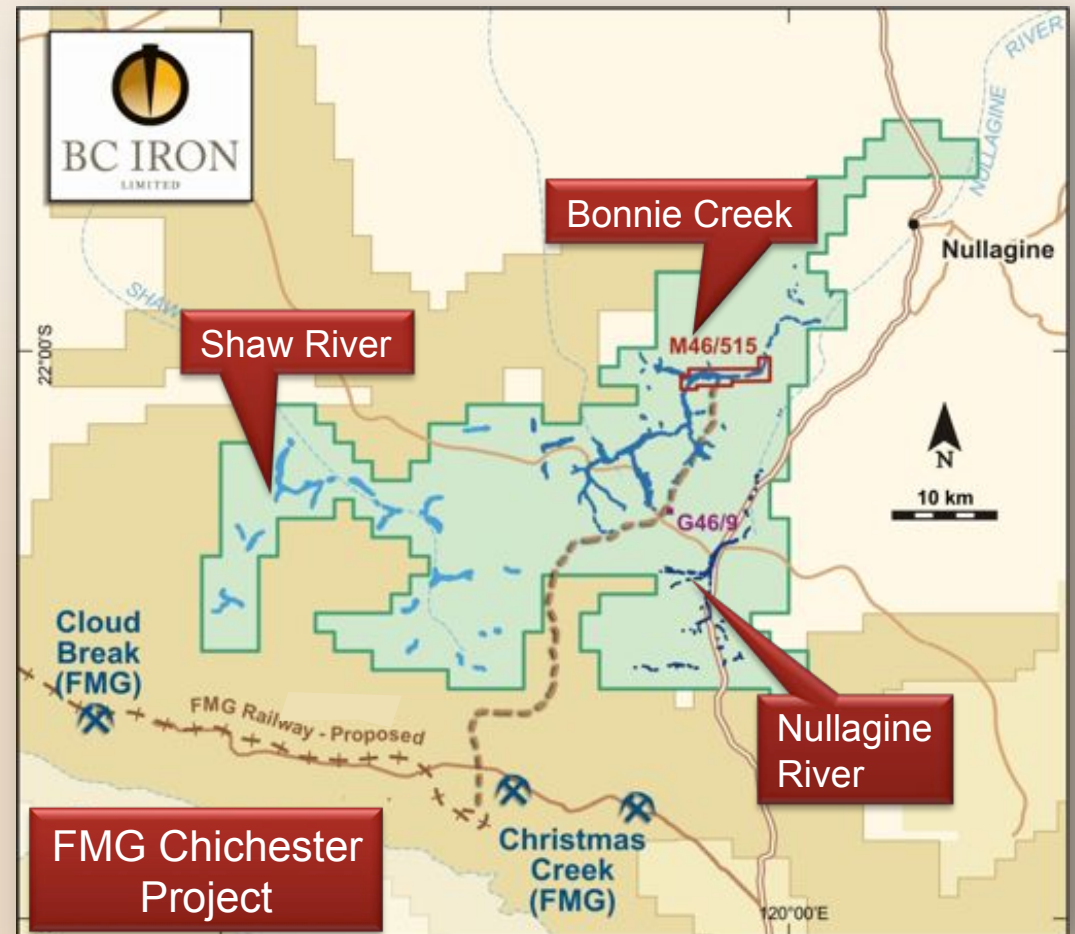
Nullagine Project (BCI 50%: FMG 50%)

- Operating iron ore mine ~3Mtpa
- Ore Reserves of 36Mt @ 57% Fe (65% CaFe)
- Mineral Resource of 102Mt @ 54% Fe (61% CaFe)
- Targeting further 15 – 25 mt through exploration and beneficiation test work



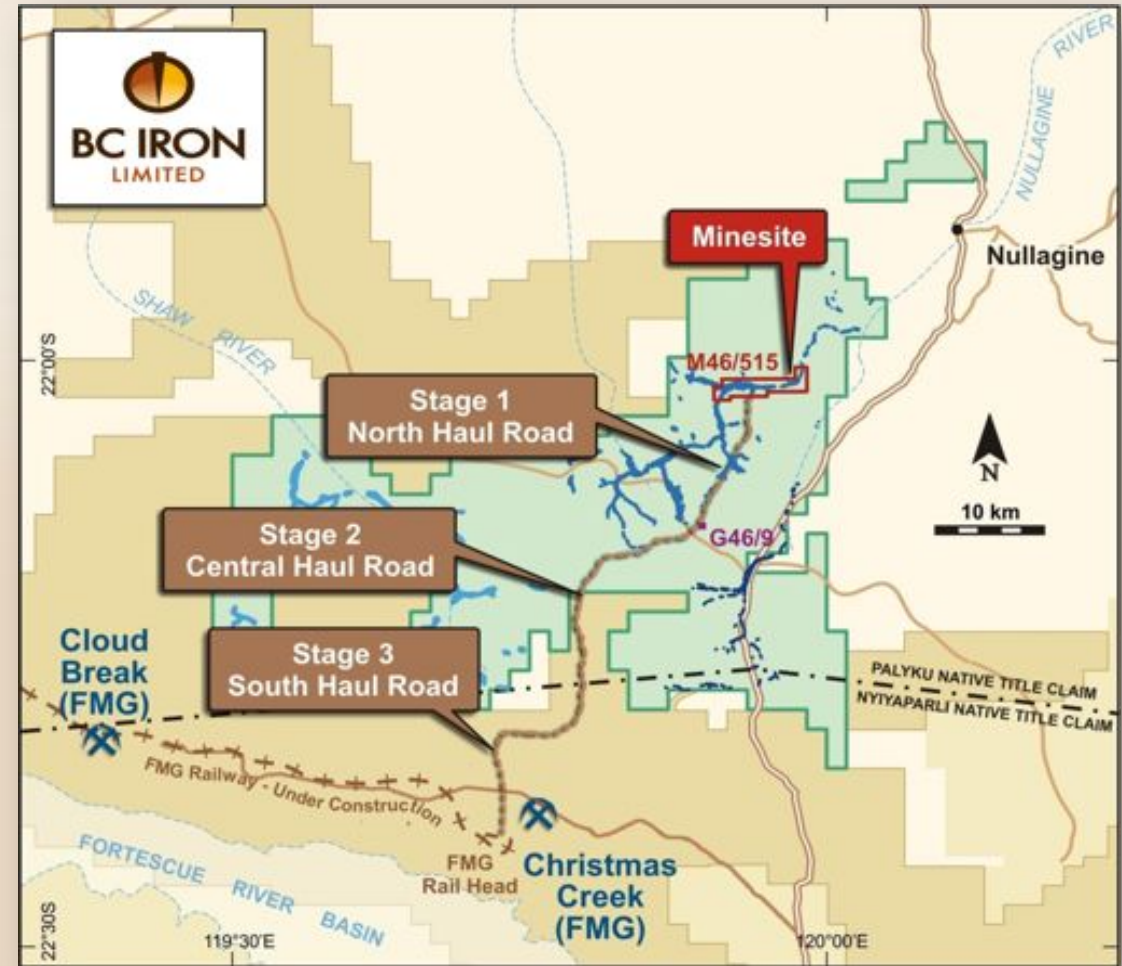
Nullagine Iron Ore Joint Venture (BCI 50%)

- Joint Venture with Fortescue (50:50)
- BC Iron Nullagine (BCIN) operator and Manager of the Project
- BCIN contracts TPI to provide rail & port services on a fixed price per tonne basis
- 50/50 share of profits and costs
- Fortescue provides marketing services
- Each shipment 'joint & several' with duplicate contracts and pricing
- JV commits to production increase to 5Mtpa by Q3 FY11/12

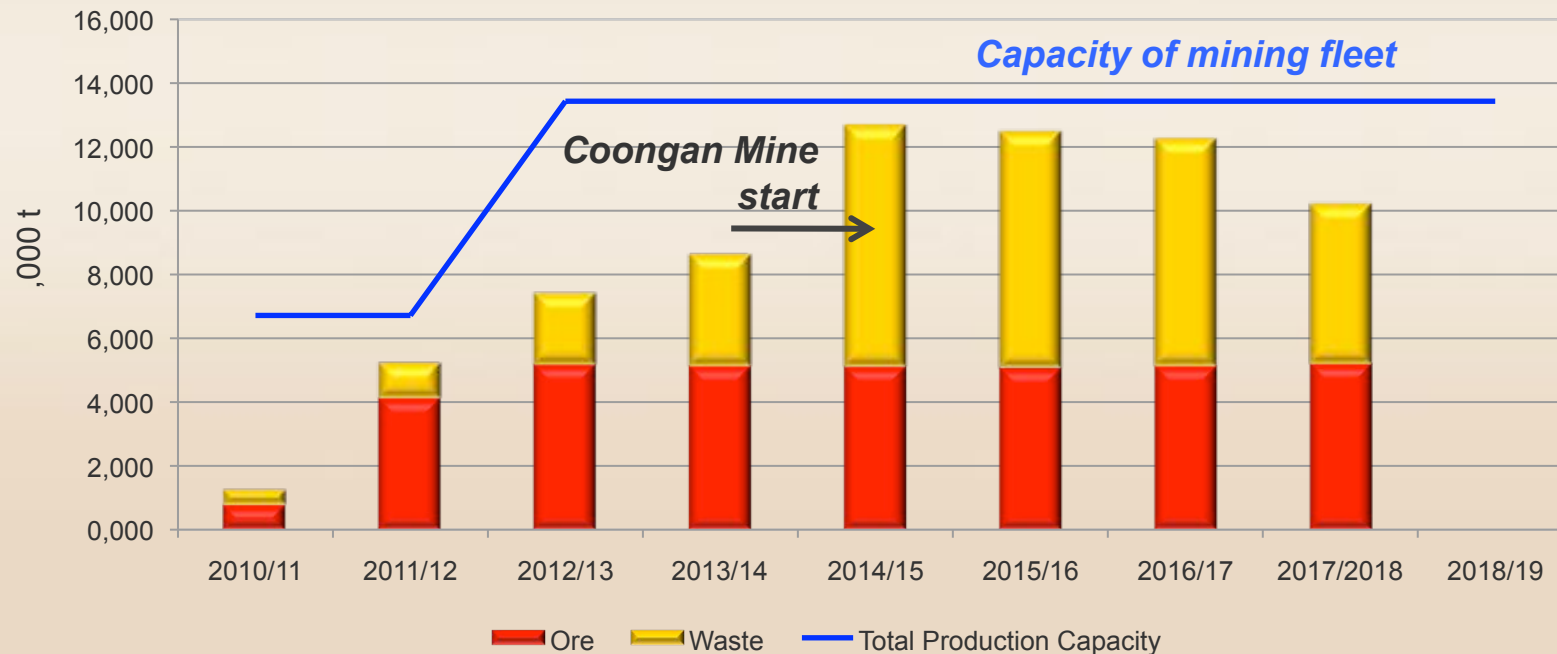


Project Metrics (BCI 50%)

- Mining Rates: 3Mtpa by June, 2011
5Mtpa by Feb, 2012
- Mine Life: 8.5 years + growth
- Mining: Wirtgen surface miners & front-end loaders
- Crush/screen: Secondary crushing only
- Haulage 1: Short term using 75t road trains on public roads
- Haulage 2: 361t Powertrans on private haul road
- Rail & Port: Contract with TPI rail and port via Port Hedland



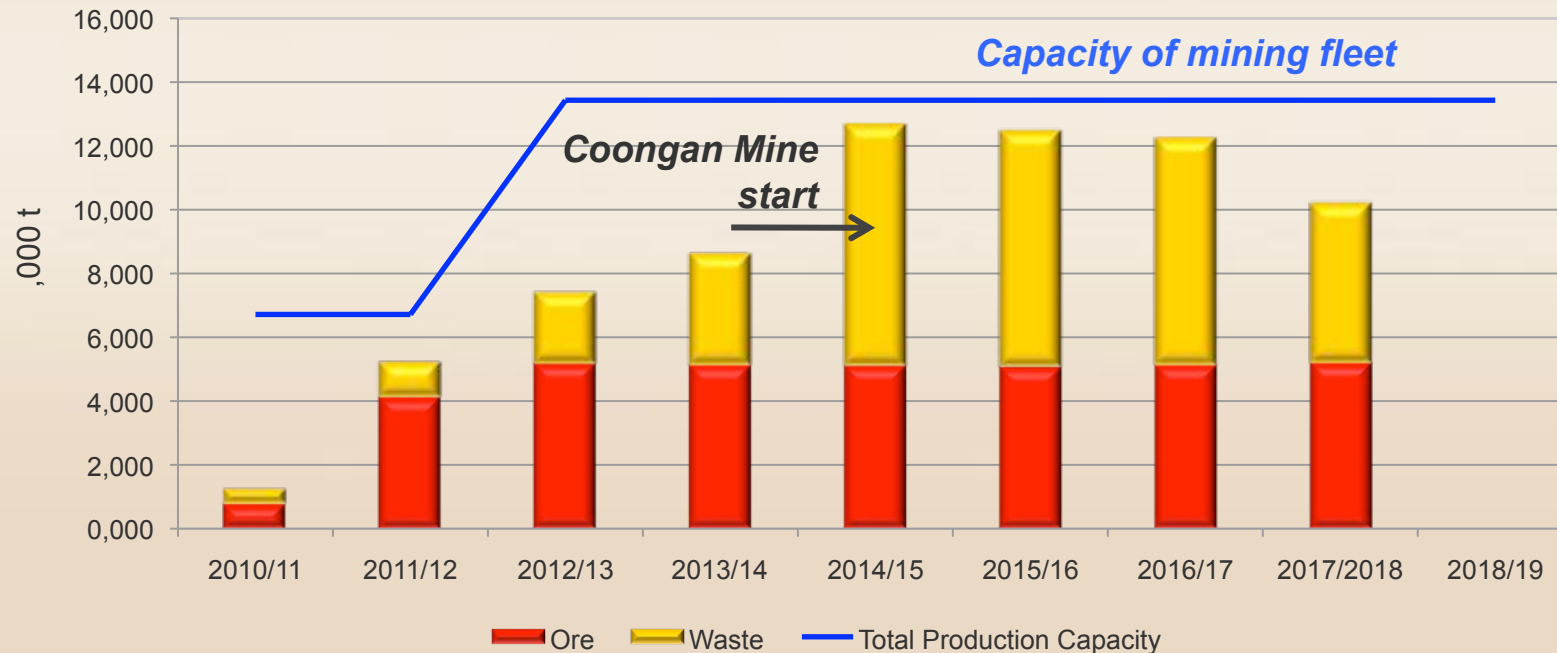
Production forecast – LOM – existing ore reserves



Forecast production

- ~ 2.5 Mt exported by Dec 2011
- ~4.0 Mt exported in FY11/12
- Production rate of 5Mt per annum by Q3 FY11/12 contingent on timely delivery of PowerTrans road trains

Production forecast – LOM – existing ore reserves



Forecast costs

- Cash costs of \$43 per tonne LOM and ranging from \$40 to \$45 – costs are FOB
- OpEx does not include State Royalties, Aboriginal Royalties, Marketing and Management
- Remaining construction capital ~\$7.5
- Sustaining operating capital ~\$1m per annum

West Australian Channel Iron Deposits

- “*Bonnie Fines*” pisolite sinter blend improves sintering productivity at steel mill
- Low impurities, low ultra-fines, low moisture
- Sintering test work at WISCO - Bonnie Fines substitute for Pilbara Blend and partially for MAC and Yandi
- Improved sintering characteristics and ore quality

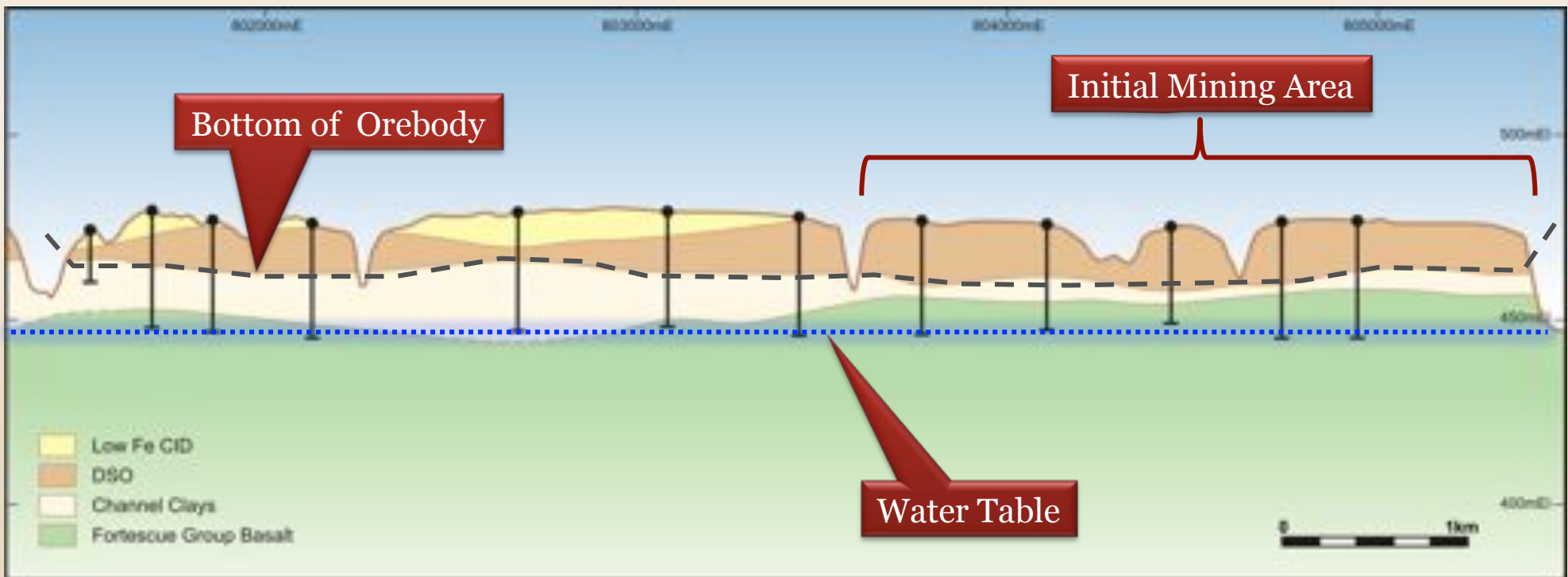
Marketing & Pricing

- Fortescue provides marketing services to JV
- Uncommitted ore to be sold on the spot market based on the Platts 62% Fe CFR
- ~50% Ore sold to Henghou at an agreed discount based on Platts 62% Fe CFR
- Price adjusted for grade on DMTU basis only
- Shipping specifications 57% Fe and 2.5% Al₂O₃
- Relationship with Fortescue allows partial shipments during ramp-up - at Cape freight rates

Construction and mining update

- Mining commenced in November; each SM at full production >600 tph
- Crushing and screening circuit commissioned at 6,500 tonne per shift
- 55 km haul road construction base course complete in May – Bitumen in July/Aug
- Haulage currently using 75t road trains on private and public roads
- Haulage on private haul road with 360t road trains in May
- Fourth and fifth shipments in May
- PowerTrans units 6, 7 and 8 ordered & delivery by early 2012





- **Shallow “pits”** mainly above surrounding plains - mining ore from day 1
- **Above water table** - lower environmental impact
- **Low OpEx** - low strip ratio, use of surface miners, efficient crushing and screening



Surface Miner operating at Outcamp

Wirtgen 2500SM Surface Miner

- WATPAC
- 2 units on site
- 2.5 m x 200-400 mm cut
- 600 t per hour
- 3.5 Mtpa at 75% avail.
- \$4m cost ea. (WATPAC)
- 8 month lead time
- 103 t weight
- 1,050 hp engine



WATPAC – Crushing and screening

Crushing & screening

- WATPAC
- Semi-mobile
- Triple deck screen + 3 cone crushers
- 700 tph
- Radial stacker 20,000t
- 4.3 Mtpa at 92% availability
- Capacity to 5.0 Mtpa by simple upgrade via feed conveyors + 1Mtpa sprint
- \$15m cost (WATPAC)



Mitchell West (Toll Holdings)

PowerTrans Pit Hauler

- Mitchell West (Toll Holdings)
- 2 units on site
- 3rd unit by July - 8th unit by Jan 2012
- 360 t payload - 512 t gross
- 2,160 t per rig per day
- 790 kt pa at 93% availability
- \$3.6m per unit
- 9 month build time
- 2 x 760 hp engines
- 55km haul; 50 km/h



Christmas Creek train loader loads BC Iron's first train, Feb 2011

Rail haulage

- TPI - Fortescue
- Christmas Creek rail head
- GE Dash 9 – 4400CW locomotives
- Trains comprise 240 cars 2.7km length
- 40 t axle loads
- 32,950 t per train
- 300,000 t NIOJV stockyard
- Expansion to 155Mtpa
- FMG 100 mt railed as of April 2011



Port Services

- TPI - Fortescue
- Herb Elliot Port, Port Hedland
- Dedicated stockpiles for JV ore
- Access to all infrastructure for JV ore
- Rail car dumper rate 2 cars per 80 seconds
- 5.5 m/s conveyors
- 13,500 tph reclaimer
- NIOJV stockpile capacity for Cape size ships

宁波恒厚集团首船普利粉接货仪式合影留念

中国·宁波·2011年3月



First ore delivery to Henghou - China

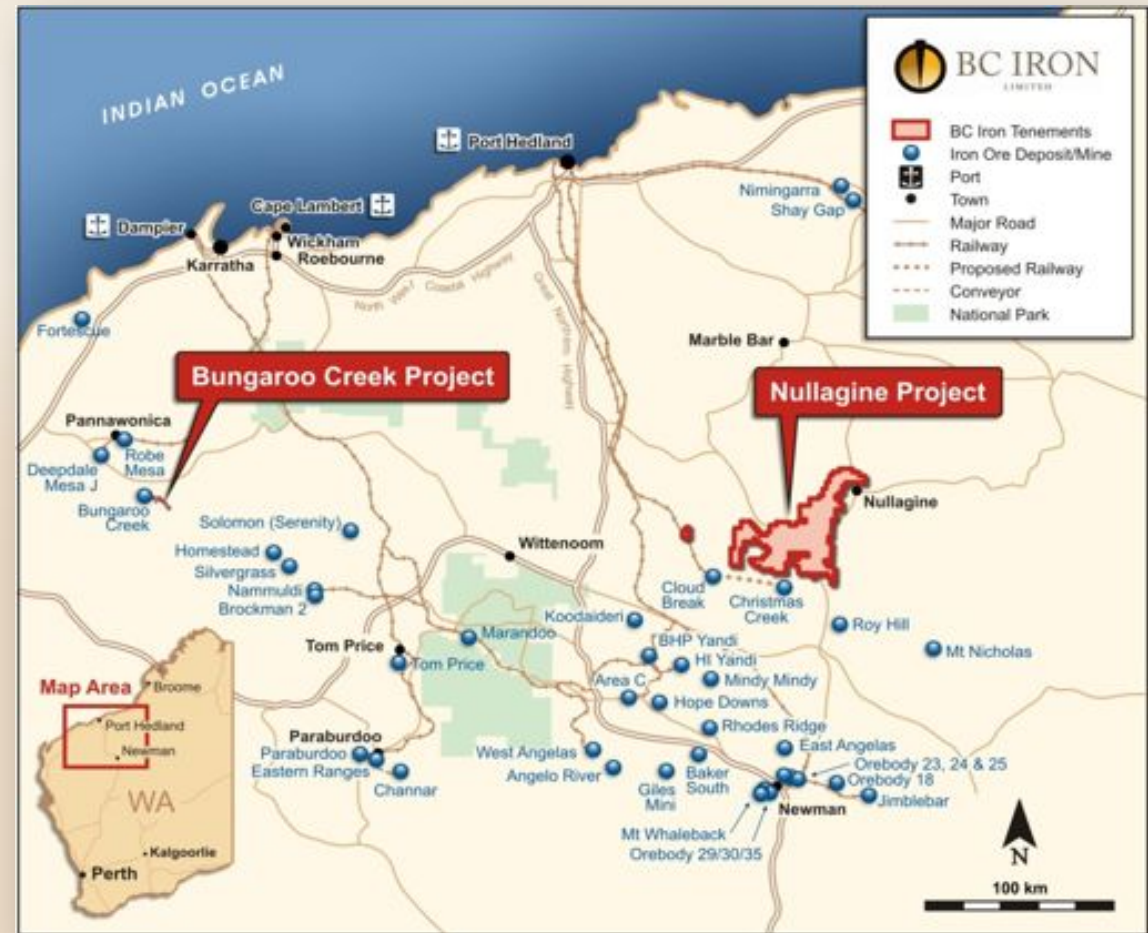
Targeted M & A

- Experienced Pilbara iron ore junior
- Developed relationships - FMG, stakeholders, government

Commodity and geography

- Short term – SE Pilbara
- Long term – Pilbara, Australia, Sth America, Africa
- Active in bulks (Fe, coal, Mn, etc)

Building a pipeline of projects!



Regent Pacific Scheme of Arrangement Takeover

- January 2011 – Regent Pacific Limited bid for BC Iron Limited in a Scheme Arrangement (Scheme)
- Consideration of \$3.30 per share for all outstanding shares in BC Iron
- BC Iron Board supports the bid under the Scheme subject to the opinion of Independent Expert concluding that the Offer is in the best interest of Shareholders
- March 2011 – Regent Pacific terminate Scheme following withdrawal of Regent Board’s support for the bid
- April 2011 – Takeovers Panel rules that Regent Pacific termination constituted “unacceptable circumstances”
- May 2011 – Independent expert KPMG concludes that the proposed Scheme of Arrangement is not fair and reasonable and therefore, is not in the best interest of Shareholders.
- BC Iron board withdraws its recommendation and terminates the Scheme

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events as of the time of the release of this document. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of BC Iron Limited, that could cause actual results to differ materially from such statements. BC Iron Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

The information that relates to the drilling data and geological interpretations is based on information compiled by Michael Young who is a Member of The Australian Institute of Geoscientists and a Director of the Company.

The information that relates to the Mineral Resource Estimate at Outcamp, Warrigal Well, and Coongan Well has been compiled by Mr Richard Gaze who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates. Both Mr Young and Mr Gaze 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 Gaze and Mr Young 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 Bonnie East and Shaw River have been compiled by Mr Greg Hudson who is a member of the Australian Institute of Geologists and an employee of BC Iron, and Mr Mike Young who is a member of the Australian Institute of Geologists and an employee BC Iron. 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hudson and Mr Young 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 Ore Reserve has been compiled by Mr Blair Duncan who is an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy, and Mr Pieter Doelman who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. Both Mr Duncan and Mr Doelman 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 Duncan and Mr Doelman 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 and mineral resource estimates are presented following this page.

This overview of BC Iron does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should not act and refrain from acting in reliance on this presentation material. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.

The information contained herein is general in nature and does not constitute financial product advice. If necessary, you should seek specific financial advice of your stockbroker prior to making any investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any investor.

June 2010 – Reserves and Resources Statement

Probable Ore Reserves

Pit	Mt	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI ₁₀₀₀
Outcamp	19.2	56.8	64.8	3.21	1.92	0.01	0.01	12.2
Warrigal	10.3	57.0	64.5	3.67	2.13	0.02	0.01	11.7
Coongan	6.0	57.0	65.1	2.52	1.82	0.01	0.01	12.4
TOTAL	35.6	56.9	64.7	3.23	1.96	0.02	0.01	12.1

Total CID Resource Estimate

Class	Mt	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI ₁₀₀₀
Measured	2.2	54.5	62.1	4.94	3.65	0.018	0.017	12.1
Indicated	68.8	54.0	61.8	4.48	3.08	0.017	0.011	12.7
Inferred	30.6	54.4	61.8	4.63	3.54	0.016	0.021	11.8
TOTAL	101.6	54.1	61.8	4.54	3.23	0.017	0.015	12.4

- The Ore Reserve is a subset of the Resource Estimate
- $CaFe = Fe / (100 - LOI) * 100$
- Total for Joint Venture (50% BC Iron)
- Figures are not net of 420kt mined as of May 1, 2011



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