



BC IRON LIMITED

Annual General Meeting - Company Update

16 November 2011
Mike Young - CEO

BC Iron is an iron ore producer and exporter

Points of difference

- Focused on development since 2007
- Exports commenced in Feb 2011
- Production rate currently at 3Mtpa
- Ramp up to 5Mtpa during 1H CY2012
- Rail and Port infrastructure secure
 - Joint Venture with Fortescue Metals Group
 - Fortescue Chichester Hub to Port Hedland
- Quality product – “*Bonnie Fines*”
 - Direct Ship Ore – CID pisolite fines
 - Excellent sinter blend with low impurities
- Simple operation
 - Mine → crush → truck → rail → ship → \$\$\$



2006 to 2011: Rapid Growth

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



First drill hole, April 2007



First ore on ship, February 2011

2011 has been a milestone year for BC Iron

- ✓ Jan – commence hauling ore to Christmas Creek on public roads
- ✓ Jan – Regent Pacific offer \$3.30 per share for BC Iron valuing the company at ~\$330m
- ✓ Jan – BC Iron becomes the first company to access 3rd party rail infrastructure in the Pilbara
- ✓ Feb – First Ore on Ship from Port Hedland to China
- ✓ Apr – Official Mine Opening by Hon. Ken Baston MLC
- ✓ May – Regent Pacific offer terminated
 - Independent Expert Valuation of \$3.80 - \$4.13 per share
- ✓ Aug – commence hauling ore to Christmas Creek on private haul road
 - Using 360t Power Trans Pit Haulers
- ✓ Oct – Bituminising of 55km private haul road complete
- ✓ Oct – FMG re-claimer commissioned at Christmas Creek
- ✓ Nov – first full cape size vessel (~170,000t) of *Bonnie Fines*
- ✓ Nov – achieved **3Mtpa production rate**



FMG Christmas Creek – Bucket wheel re-claimer



Toll Powertrans Rig on private haul road

Mining & Crushing

- Mining now at > 3mtpa
- Stockpiles @ 634kt
- 3 surface miners in operation
- 4th to be introduced in Q2FY13
- Crusher at 4Mtpa
- Expansion to >5Mtpa H1 CY12

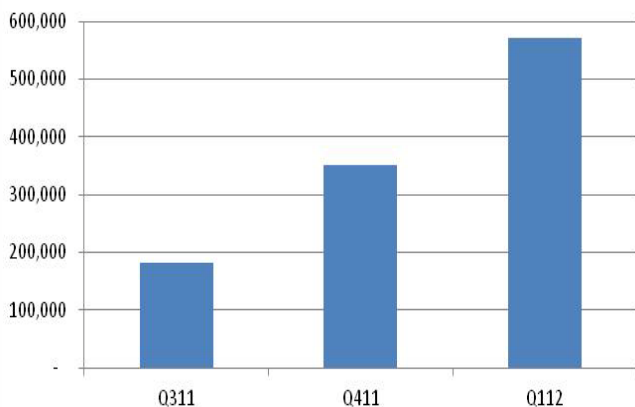
Truck & Rail Haulage

- 4 PowerTrans units
- 8 PowerTrans by end 1H CY12
- First junior in the Pilbara to access 3rd Party rail
- FMG re-claimer at Christmas Creek commissioned

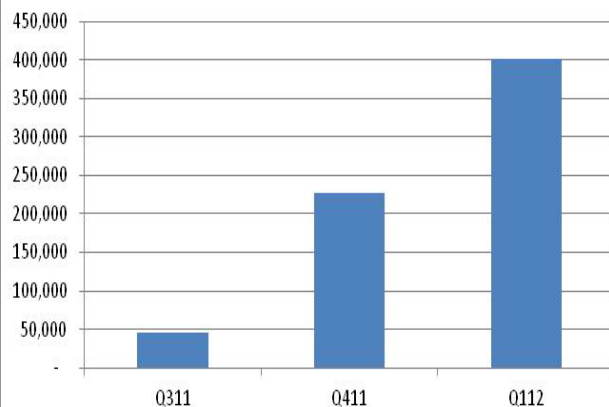
Shipping & Marketing

- First full cape size ship in Nov '11
- FMG Marketing arm provides *Bonnie Fines* with exposure to good customer base
- Henghou underpins marketing drive into China
- Good feedback on low P, high CaFe sintering ore

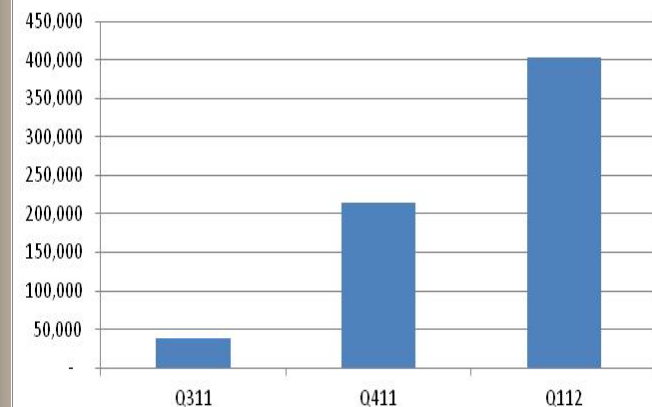
Mined (wmt)



Railed (wmt)



Shipped (wmt)



Board of Directors BC Iron



(L to R) David Coyne, Terry Ransted, Mike Young, Tony Kiernan and Glenn Baldwin. Inset: Andy Haslam

Mike Young, 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 Ltd.

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

Glenn Baldwin, Non-exec Director – a mining engineer experienced in project assessment and development. Group CEO with Consolidated Minerals Ltd a >1.2 Mtpa Mn producer.

David Coyne, Alternate to Glenn Baldwin - 18 years commercial and financial experience in mining, oil & gas and steel making both in Australia and South East Asia. Currently CFO - Australia of Consolidated Minerals Ltd.

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. Most recently, Managing Director of ASX listed Territory Resources Ltd, a 2.0Mtpa producer of DSO lump and fines in the Northern Territory.

Code:	ASX:BCI
Shares	95.3 m
Unlisted Options	9.3 m
Fully Diluted	104.6 m
Market Cap fully diluted @ A\$2.40	~ A\$250 m
Gross Cash at Sep 2011	A\$16.2 m
	(BC Iron Limited A\$5.8 m)
	(NIOJV (50%) A\$10.4 m)
Debt as at Sept 2011	A\$25 m
EV as at Sept 2011	~A\$250 m
Major shareholders:	
Consolidated Minerals	24.1%
Regent Pacific	22.6%
Directors	2.6%
Shareholding:	
Institutions ~ 45% (incl. Regent) / Other ~ 55%	
50% Australian / 50% Overseas	

Senior Management Team

Blair Duncan - Chief Operations Officer



Morgan Ball - CFO & Company Secretary



John McCarthy – Resident 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

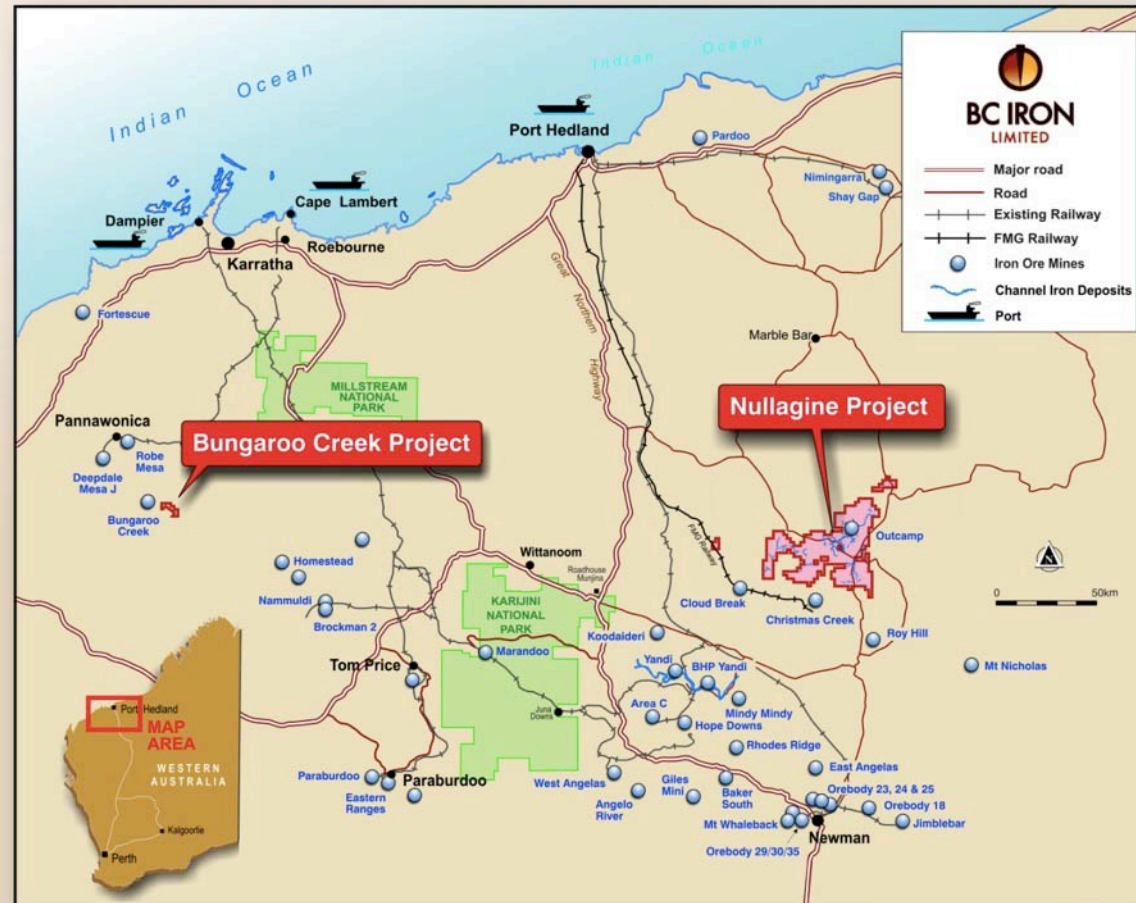
INTEGRITY - MINING - SUCCESS

Bungaroo Project (BCI 100%)

- Bungaroo near RIO Tinto's Bungaroo Creek & IOH's Buckland Hills
- CID mineralisation identified in 2010: drilling to begin 2H CY 2011

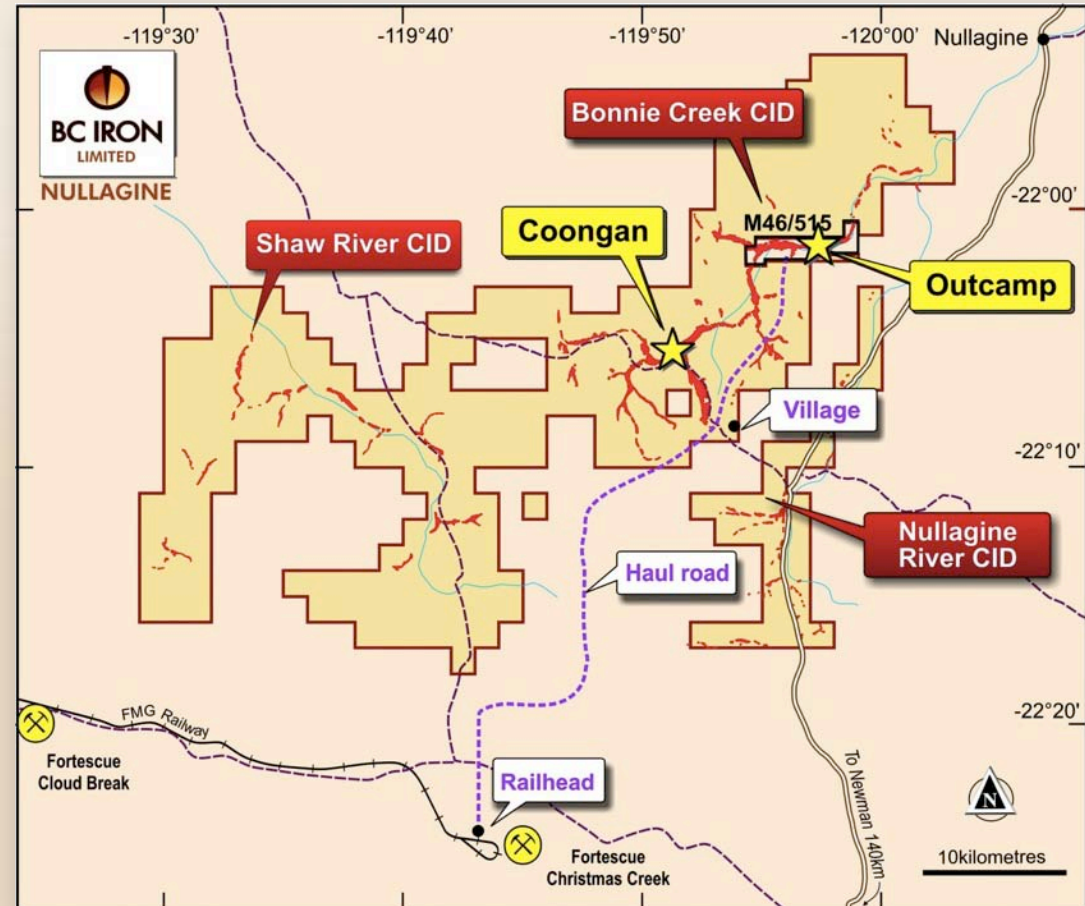
Nullagine Project (BCI 50%: FMG 50%)

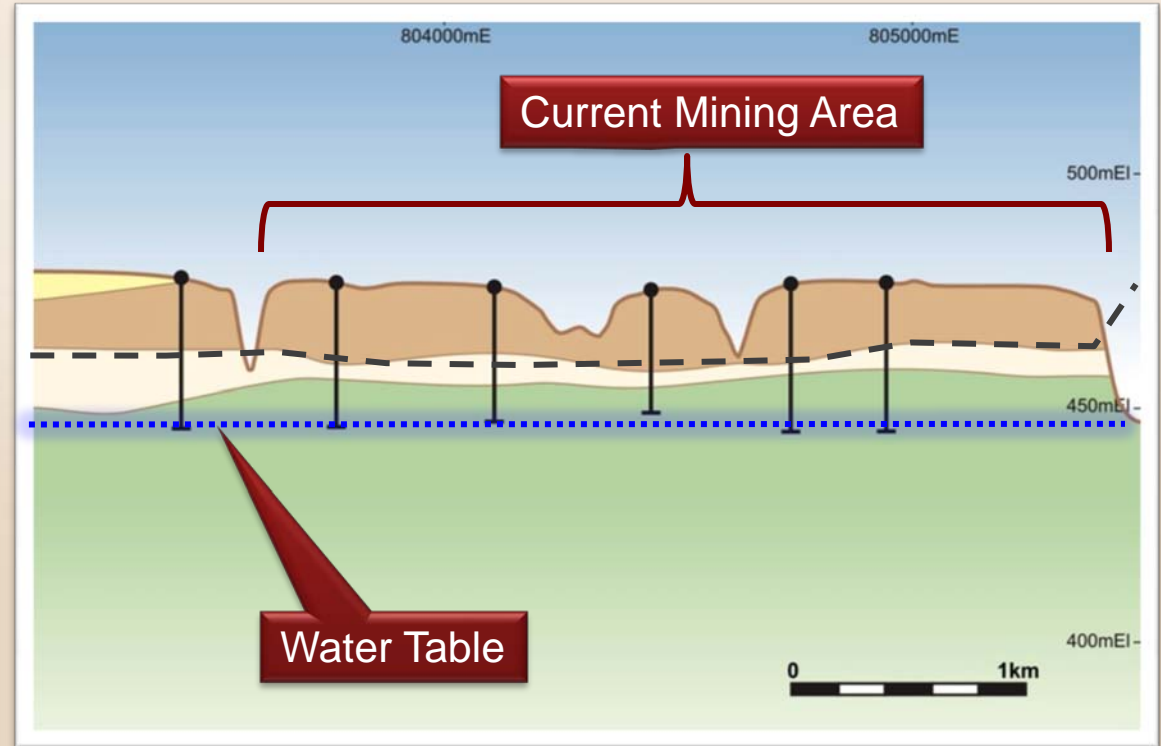
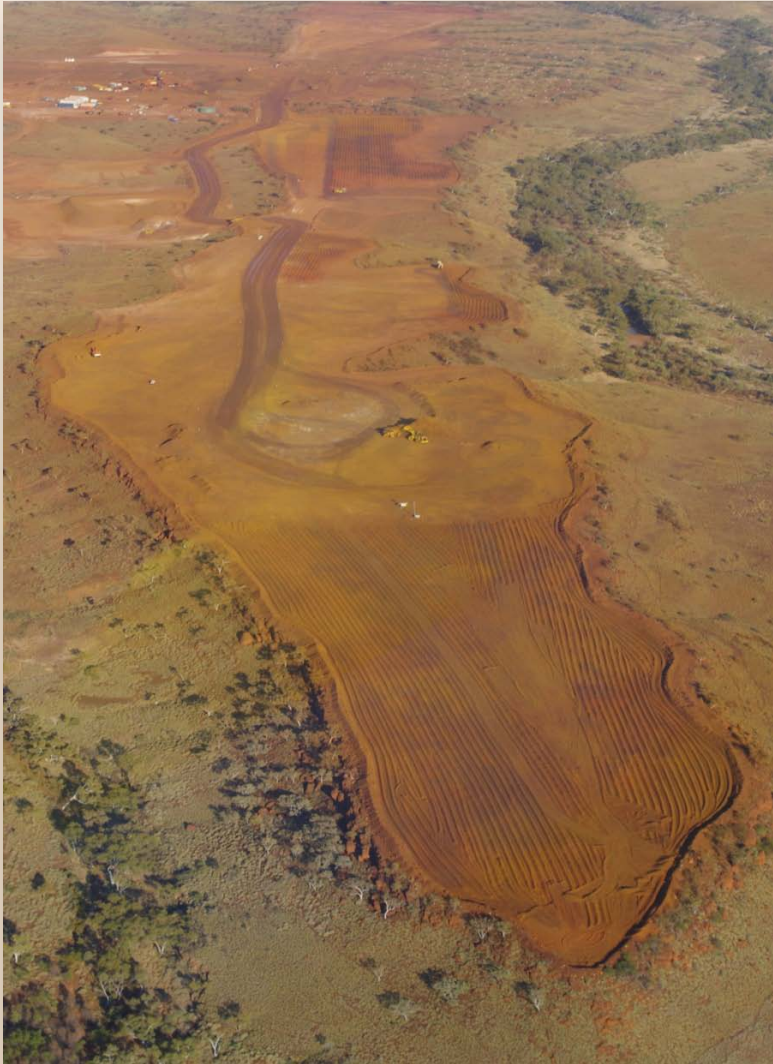
- Operating iron ore mine - 3Mtpa to 5Mtpa
- Ore Reserve of 35Mt @ 57% Fe (65% CaFe)
- Mineral Resource of 103Mt @ 54% Fe (62% CaFe)
- possible to extend mine life 2-5 years - exploration and beneficiation test work



Nullagine Iron Ore Joint Venture (BCI 50%)

- Joint Venture with Fortescue (50:50)
- BC Iron operator and Manager of the Nullagine JV Project
- BC Iron contracts TPI to provide transport services on a fixed price per tonne basis
- 50/50 share of revenue and costs
- Fortescue provides marketing services
- JV commits to production increase to 5Mtpa in 1H CY2012
- 55 km private haul road complete with bitumen seal





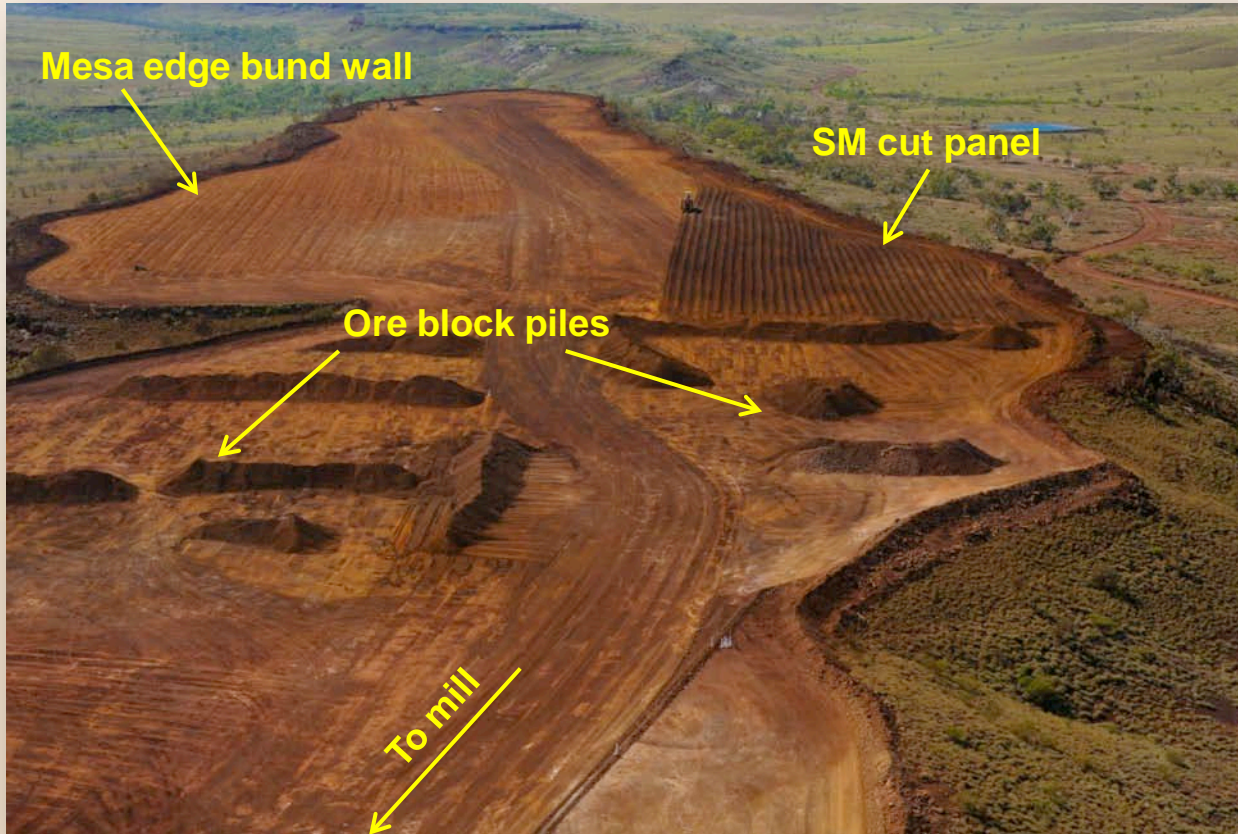
- Low Fe CID
- DSO
- Channel Clays
- Fortescue Group Basalt



Wirtgen 2500SM Surface Miner

- Rotating drum cutter
- Provides primary crushing
- WATPAC owned & operated
- 3 units on site
- 2.5 m x 200-400 mm cut
- 600 t per hour
- 3.5 Mtpa at 75% avail.

Surface Miner operating at Outcamp



Mining processes on Outcamp 1

Cutting & mining methods

- WATPAC contract mining
- Ore cut to 250mm by S/miner
- Geologist mapping adjust ore blocks
- Adjusted ore blocks pushed into individual stocks (DSO_1, DSO_2, etc)
- FEL & CAT 777 moves to mill
- Allows de-coupling of cutting versus digging fleets
- High ore selectivity and low dilution



Crushing & screening

- WATPAC owned & operated
- Semi-mobile
- Triple deck screen & 3 cone crushers
- 700 tph
- Radial stacker 20,000t
- ~4.0 Mtpa at 90% avail.
- Capacity to >5.5 Mtpa by simple upgrade via feed conveyors
- Up to 1Mtpa 'sprint' capacity

WATPAC – Crushing and screening



Toll Holdings (formerly Mitchell West) Pit Haulers

PowerTrans Pit Haulers

- Toll Holdings owned and operated
- 4 units on site
- Final unit (8th) 1H CY2012
- 360 t payload - 512 t gross
- 2 x 760 hp engines
- 55km haul; 50 km/h
- 2,160 t per rig per day
- > 700,000tpa at 93% availability

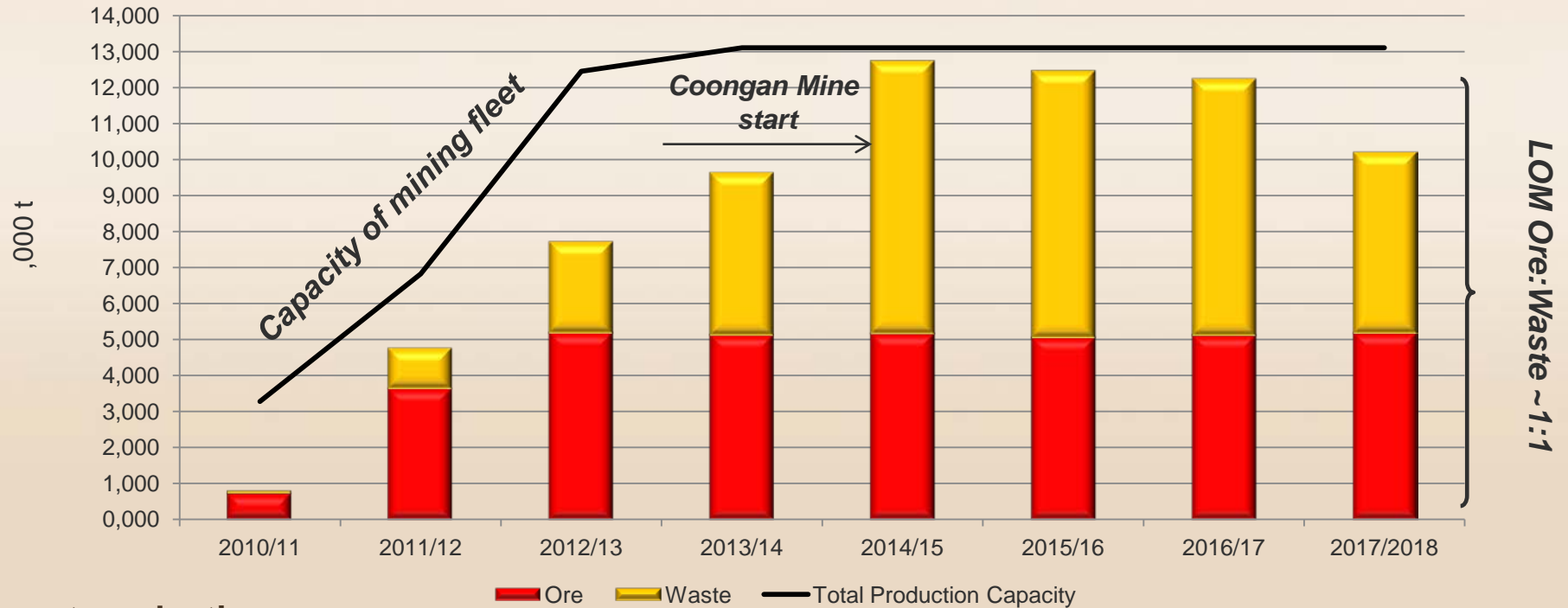


Christmas Creek ore load-out reclaimer, October 2011

Rail haulage & Port Services

- TPI - Fortescue
- Christmas Creek rail head
- Trains comprise 240 cars 2.7km long
- ~32,000t per train
- Herb Elliott Port, Port Hedland
- Dedicated stockpiles for JV ore at Christmas Creek and Port
- Access to all infrastructure for JV ore
- JV port stockpile capacity for Cape size ships

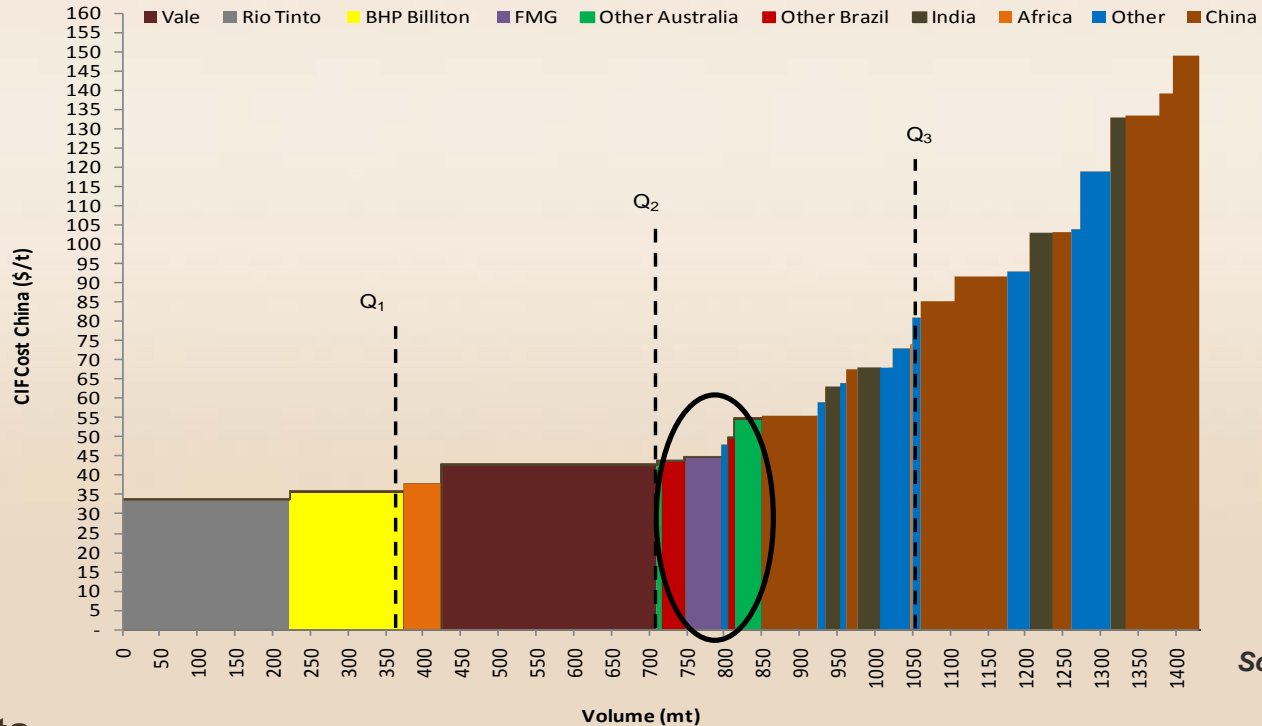
Ore Mined 2010 to 2018



Forecast production

- Production capacity rate expected to reach 5Mtpa by June 30, 2012
- Circa 3.5Mt to be exported in FY11/12
- Rates are contingent on timely infrastructure development by TPI/FMG

Supply curve to Chinese market for iron ore fines



Source: Macquarie Research

Forecast costs

- Cash costs estimated to range from \$40 to \$45 per tonne over LOM – costs are mine to ship FOB
- Op. costs does not include State royalties, Aboriginal royalties, marketing and head office costs
- Contractor operation – minimal sustaining capital ~\$3m per annum

West Australian - Channel Iron Deposits

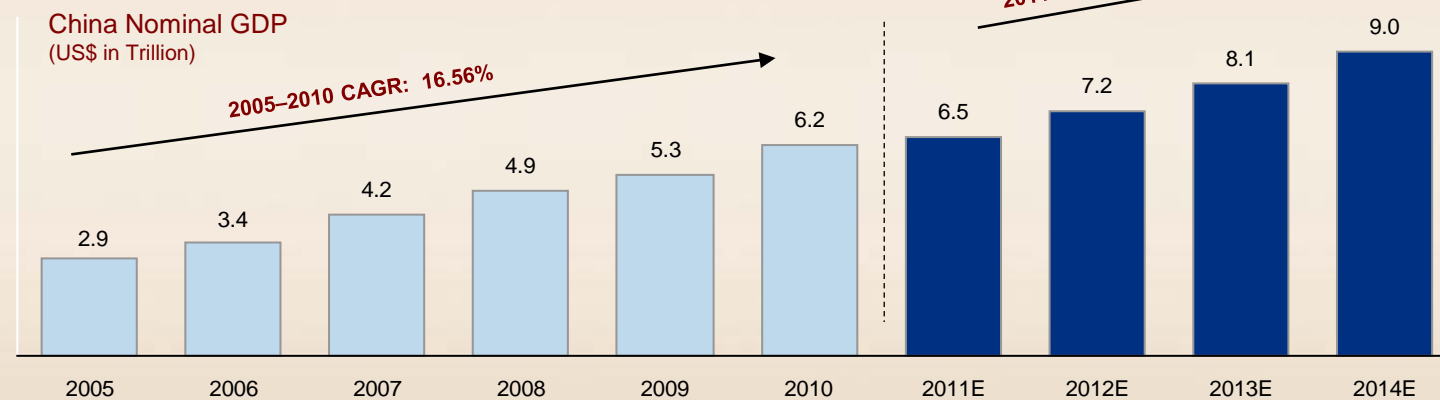
- “*Bonnie Fines*” pisolite sinter blend improves sintering productivity at the steel mill
- Low impurities, low ultra-fines, low moisture, and high calcined iron grade
- Sintering test work in China - Bonnie Fines substitute for existing high quality fines

Marketing & Pricing

- Fortescue provides marketing services to JV
- Uncommitted ore to be sold at prices in line with the Platts Index
- 20mt LOM production committed to Henghou at agreed discount to Platts Index
- Relationship with Fortescue provides strong support in logistics, marketing and customers

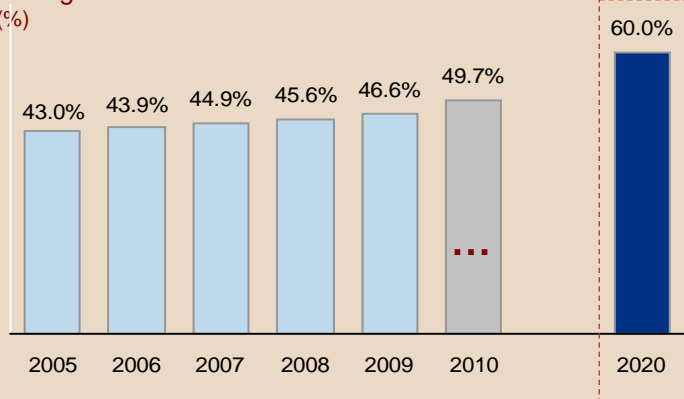


Favourable Economic Outlook

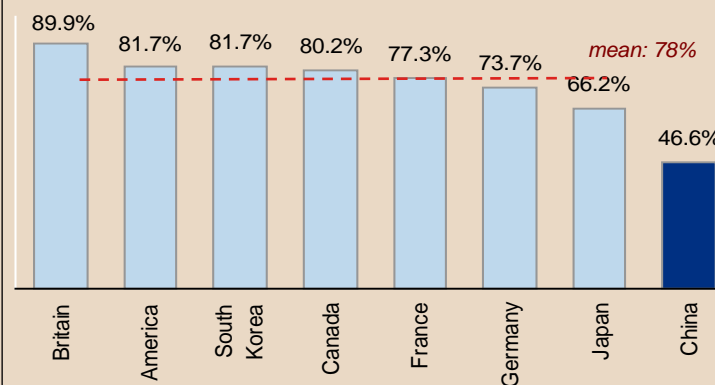


China's Urbanization Rate Lags Behind Compared to Major Countries

Strong Urbanization Rate Trend in China (%)



Comparison of Urbanization Rate (%)



Iron historical prices and forecast

- CFR62% Fe Tianjin Spot
- *Forward Curve Credit Suisse 04 October 2011*



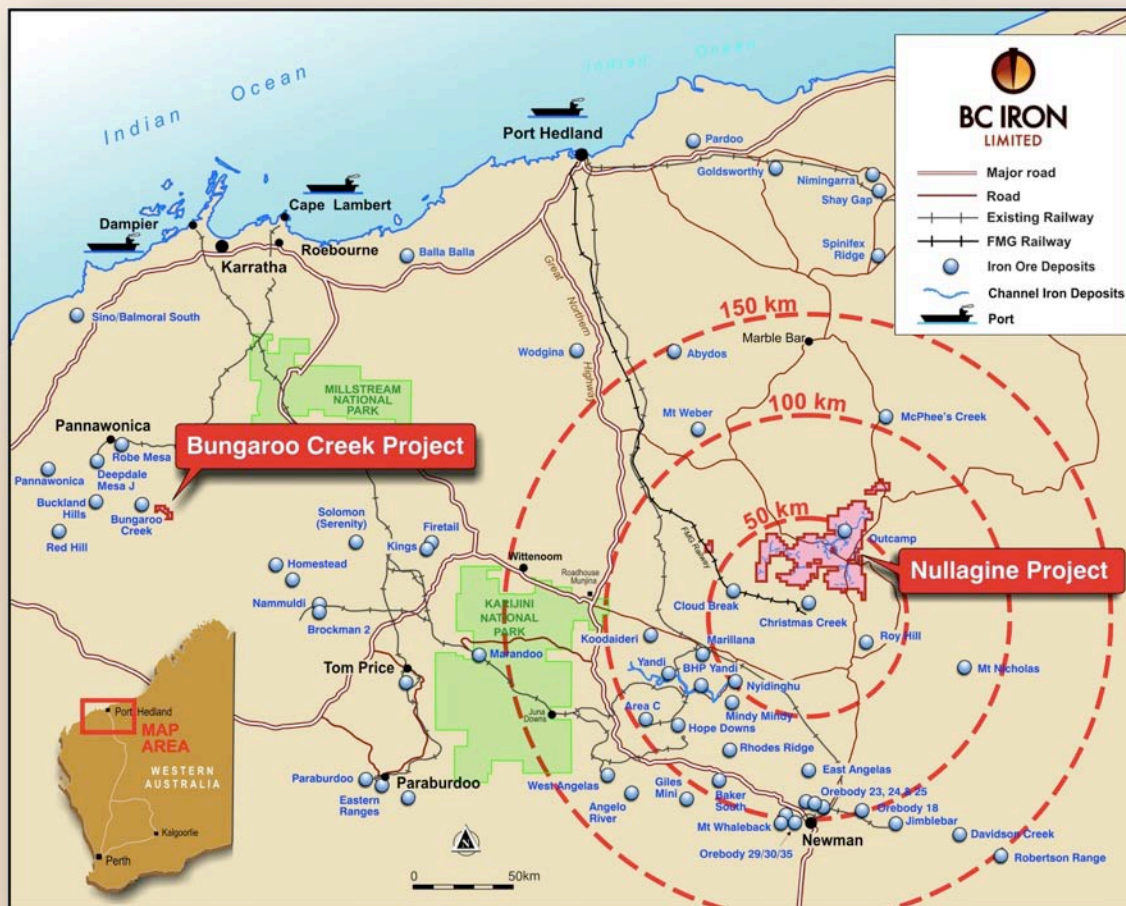
Targeted M & A

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

Commodity and geography

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

Production → Growth



June 2011 – Reserves and Resources Statement

Probable Ore Reserves

Pit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Outcamp	18.3	56.8	64.7	1.92	3.17	0.014	0.010	12.2
Warrigal	10.4	57.0	64.6	2.14	3.68	0.022	0.013	11.7
Coongan	6.0	57.0	65.0	1.84	2.54	0.011	0.012	12.4
TOTAL	34.7	56.9	64.7	1.97	3.21	0.016	0.011	12.1

Total CID Resource Estimate

Class	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Measured	1.8	54.1	61.6	3.98	5.08	0.020	0.018	12.3
Indicated	68.1	53.9	61.8	3.09	4.48	0.017	0.011	12.7
Inferred	32.9	54.5	61.8	4.58	3.86	0.019	0.018	11.9
TOTAL	102.9	54.1	61.8	3.58	4.29	0.018	0.014	12.4

- The Ore Reserve is a subset of the Resource Estimate
- $CaFe = Fe / (100 - LOI) * 100$
- Total for Joint Venture (50% BC Iron share)

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 Mineral Resource Estimate at Outcamp, Warrigal, and Coongan has been compiled by Mr Richard Gaze who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates, and Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron. The resources were first reported on the ASX on 2 April 2009. The Outcamp resource estimate has been updated as of June 30, 2011 by BC Iron to account for mining which commenced in November 2010. 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, Dandy and Shaw River has been compiled by Mr Gregory Hudson who is a Member of the Australian Institute of Geoscientists and a former employee of BC Iron, and 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. Both Mr Young and Mr Hudson 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 Hudson and Mr Young consent to the inclusion of 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. 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 Duncan consents to the inclusion of his name in the matters based on his 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.

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Producing iron ore, Producing value

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