



Global Iron Ore and Steel Conference

BC Iron and the Buckland Project

Morgan Ball – Managing Director



**ASX:BCI
9-Mar-16**

BC IRON KEY ASSETS



Cape Preston East Port

Tenure	20 year lease
Status	Optimising feasibility study
Capacity	20Mtpa

Bungaroo South

Ownership	100%
Status	Optimising feasibility study
Production Rate	8 Mtpa
Reserves ¹	134Mt @ 57.6% Fe
Resources ¹	283Mt @ 56.5% Fe

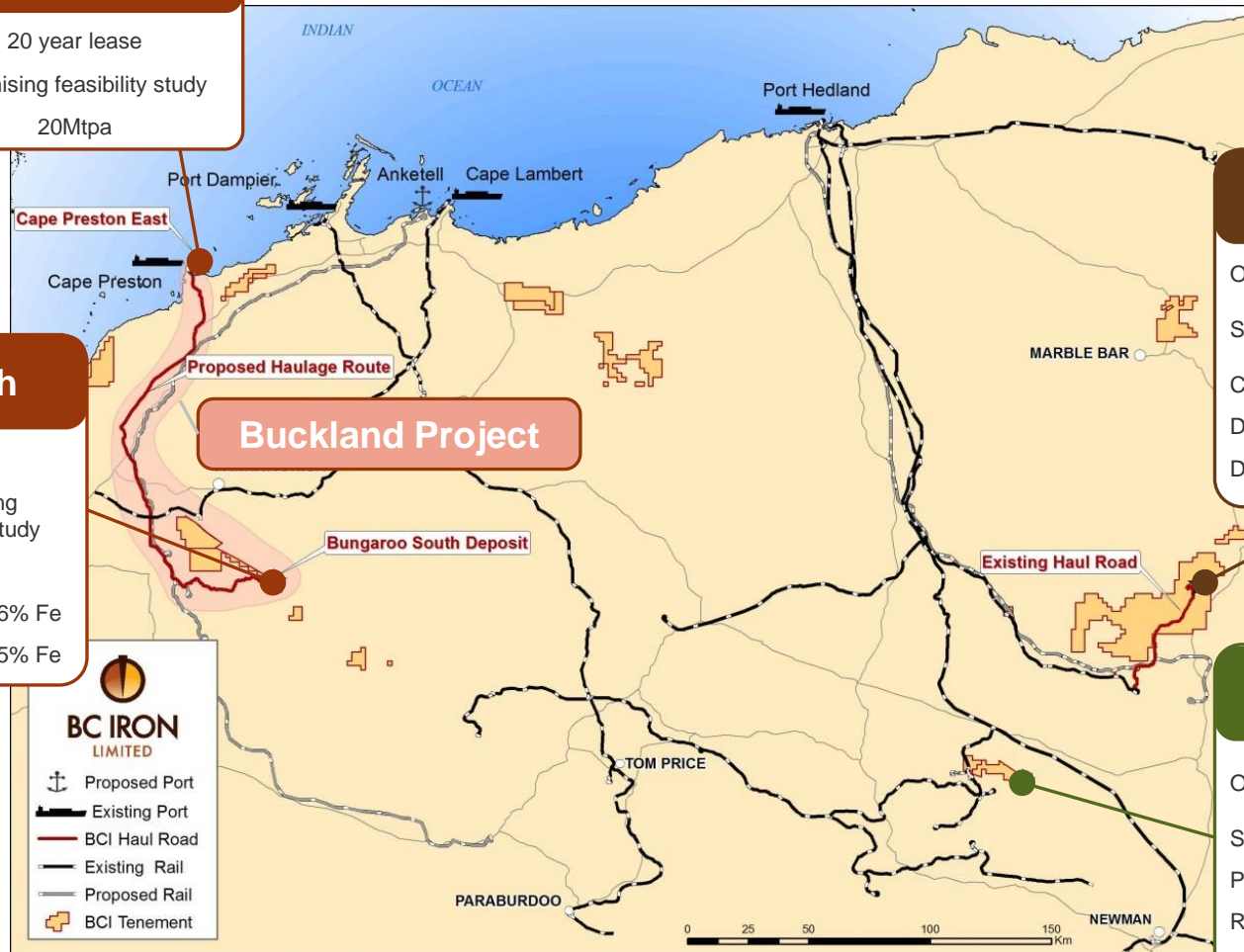
Buckland Project

Nullagine JV

Ownership	75%
Status	Temporary Suspension
Capacity	6 Mtpa
DSO Reserves ¹	21Mt @ 56.9% Fe
DSO Resources ¹	31Mt @ 57.0% Fe

Iron Valley

Ownership	Mine gate sale with MIN
Status	Operating
Production Rate	~6 Mtpa
Reserves ¹	130Mt @ 58.9% Fe
Resources ¹	247Mt @ 58.4% Fe



Notes:

1. Mineral Resources and Ore Reserves are prepared in accordance with JORC guidelines. Refer to 2015 Annual Report for further detail. NJV figures shown on a 100% basis.

CORPORATE OVERVIEW



Capital Structure

Ordinary Shares	196.2m
Share Price (at 8-Mar-16)	\$0.215
Market Capitalisation	\$42.2m
Cash (at 31-Dec-15)	\$42.9m
Debt and Royalties (at 31-Dec-15)	\$15.8m
Enterprise Value	\$15.1m
Options / Performance Rights	3.8m

Dividend History

\$0.82 per share (~\$100M) in fully-franked dividends

Major Shareholders

Wroxby Pty Ltd	19.0%
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Research Coverage



Board and Management

Tony Kiernan	Non-Executive Chairman
Morgan Ball	Managing Director
Martin Bryant	Non-Executive Director
Andy Haslam	Non-Executive Director
Brian O'Donnell	Non-Executive Director
Blair Duncan	Chief Operating Officer
Chris Hunt	Chief Financial Officer
Hayley McNamara	Company Secretary



Operating mine that is generating cash flows via iron ore sale agreement with MIN.

- Iron ore sale agreement with Mineral Resources Limited (MIN)
 - ❖ *BC Iron retains tenement ownership and statutory obligations (incl. government royalties)*
 - ❖ *MIN operates the mine at MIN's cost*
 - ❖ *MIN buys ore from BCI at a price linked to MIN's FOB price*
 - ❖ *Term is lesser of 20 years or 200Mt purchased by MIN*
- Ore Reserve of 129.9 Mt at 58.9% Fe¹ and Mineral Resource of 246.8 Mt at 58.4% Fe¹
- Currently being operated as a DSO, truck haulage operation
 - ❖ *3.1M wmt shipped in 1H FY16, generating EBITDA for BC Iron of A\$4.5M*
- MIN evaluating potential expansion to 16 Mtpa via construction of a bulk ore transport system (BOTS) to Port Hedland
 - ❖ *Agreement contemplates this and provides for upside to BC Iron*
 - ❖ *BC Iron supporting MIN by seeking below water table approvals*



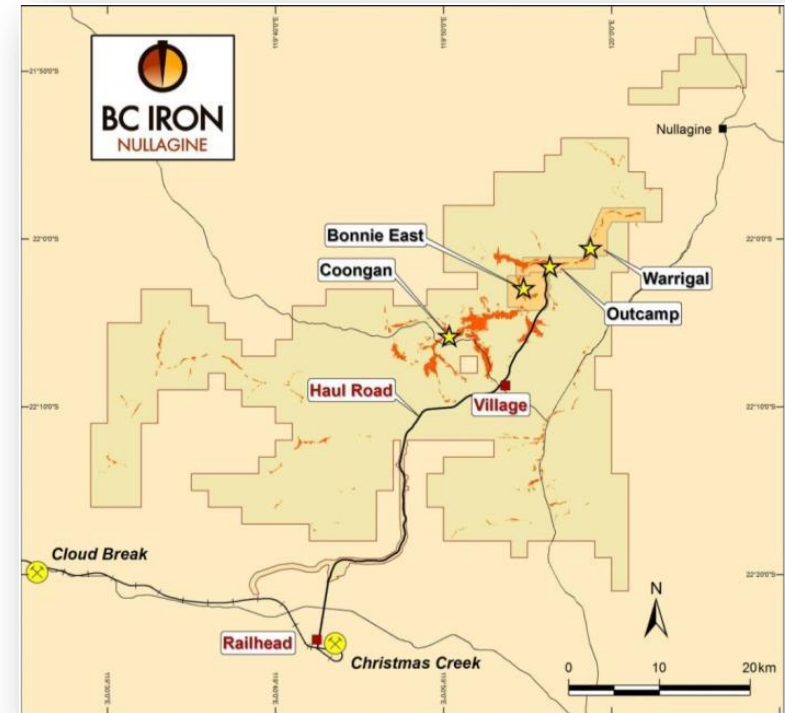
1. Mineral Resources and Ore Reserves are prepared in accordance with JORC (2012) guidelines. Refer to appendices for relevant detail.

NULLAGINE JOINT VENTURE



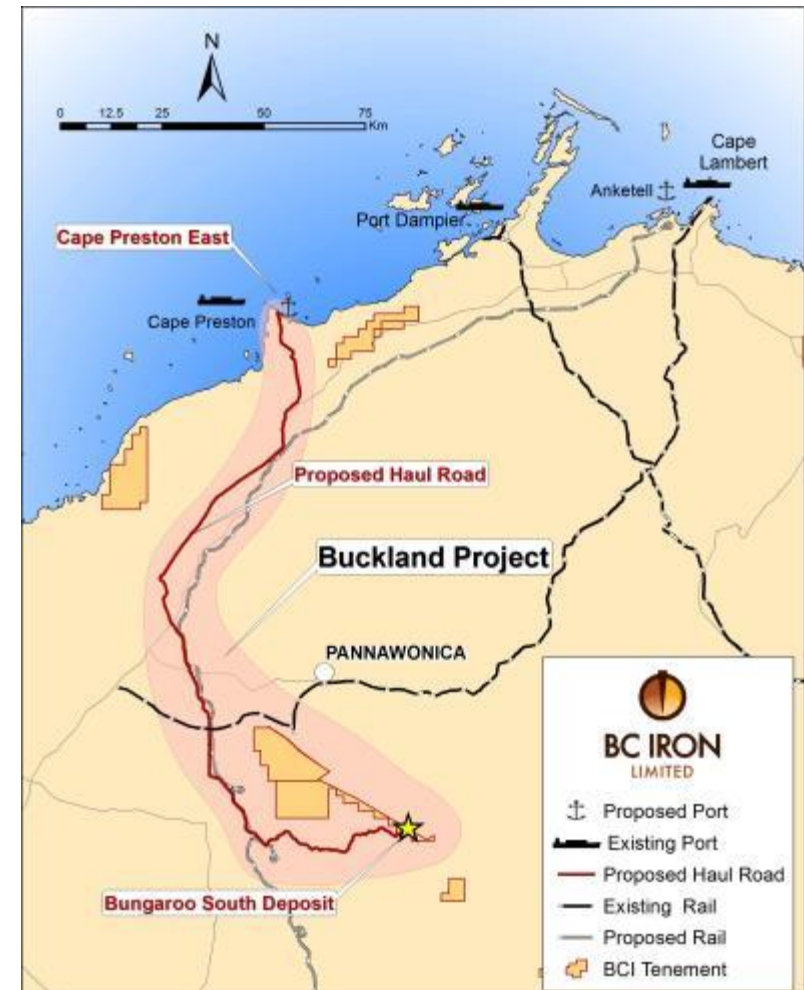
Mine with access to world-class infrastructure. Currently in temporary suspension.

- Located ~55km north of FMG's Christmas Creek
- Unincorporated joint venture – 75% BCI, 25% FMG
 - ❖ *BC Iron is the manager of the NJV*
 - ❖ *FMG provides rail & port and marketing services*
- Capacity to export up to 6Mtpa on FMG's infrastructure
- Temporarily suspended due to low iron ore prices
 - ❖ *Minimising holding costs*
 - ❖ *Assessing potential to further lower operating costs*
 - ❖ *Monitoring market conditions to consider options*
- Previously very profitable – allowed BC Iron to repay debt and pay \$0.82 per share (~A\$100M) in fully-franked dividends



Strategic mine-to-port development project located in the West Pilbara.

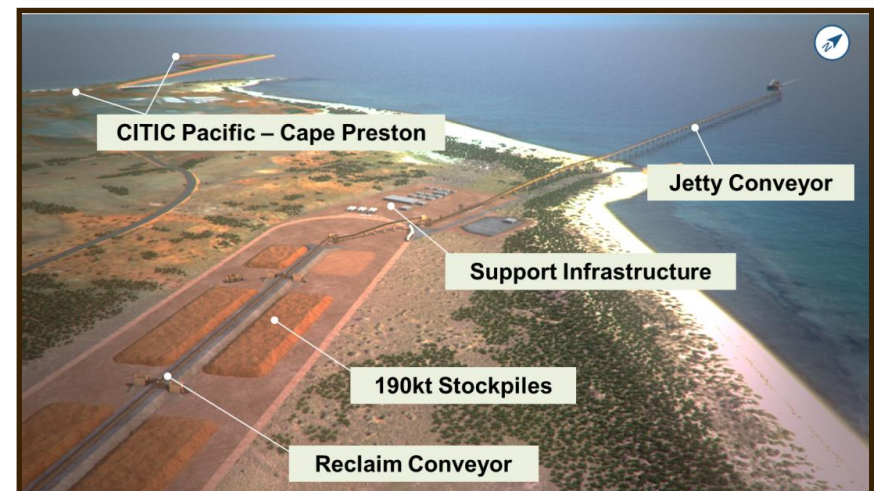
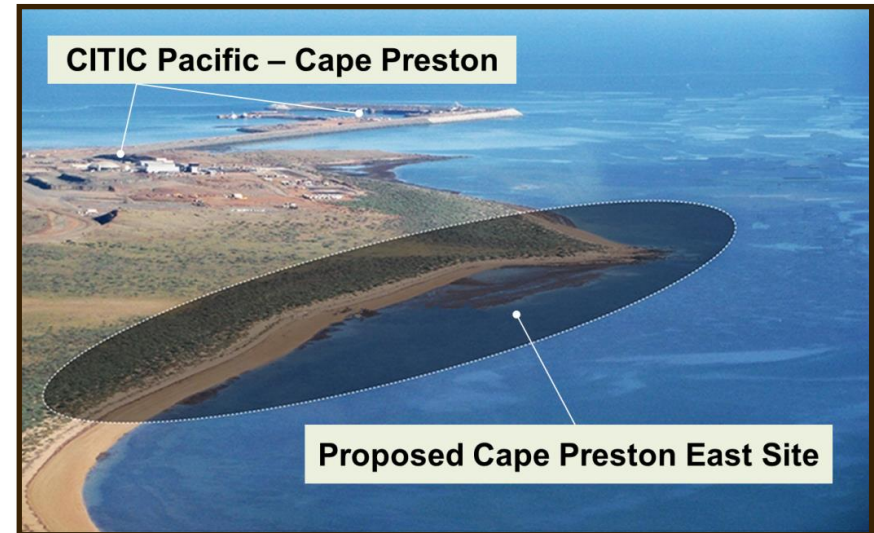
- Wholly owned project located in the West Pilbara region
- Ore Reserve of 134.3 Mt at 57.6% Fe¹ and Mineral Resource of 283.2 Mt at 56.5% Fe¹
- Feasibility study (“FS”) completed by IOH in June 2014
 - ❖ *Potential 8Mtpa operation for 15 years at 1:1 strip ratio*
 - ❖ *Proposed independent infrastructure solution – private road to transshipment port at Cape Preston East*
- All major permits and approvals received – further Cape Preston East approvals being progressed
- Optimisation studies ongoing:
 - ❖ *Targeting capital and operating cost reductions*
 - ❖ *Evaluating alternative development concepts*
 - ❖ *Evaluating preliminary infrastructure expansion opportunities*



1. Mineral Resources and Ore Reserves are prepared in accordance with JORC guidelines. Refer to appendices for relevant detail.

Proposed low capital cost transshipment port with capacity for additional tonnes.

- Existing port lease agreements with the Pilbara Ports Authority (“PPA”)
 - ❖ *Right to construct and operate onshore & marine facilities (subject to the satisfaction of certain conditions)*
 - ❖ *Up to 20 Mtpa for an initial term of 20 years*
 - ❖ *Right to expand leased area and extend term (subject to the satisfaction of certain conditions)*
 - ❖ *Provides for third party tonnages*
- Proposed low capital intensity, efficient transshipment port
 - ❖ *Allowance for 8 stockpiles of 190kt each*
 - ❖ *1.4km piled A-frame jetty to 5.5m deep loading pocket*
 - ❖ *No requirement for dredging*
 - ❖ *Self-propelling and self-discharging transshipment vessel, with a 15-20kt capacity and 5.5m loaded draft*



RECENT WORK ON BUCKLAND



Approvals

- Cape Preston East construction approvals being advanced with the PPA
- Bungaroo South mining proposal submitted – approval anticipated in Jun-16 quarter

Optimisation Studies

- Road haulage optimisation studies
- Re-pricing of select value capital works packages
- Re-pricing of diesel fuel supply

Alternative Development Concepts

- Joint study and discussions with API in relation to the parties' contiguous deposits
 - ❖ *Term sheet signed to facilitate mining of ore up to tenement boundaries*
 - ❖ *Discussions regarding a traditional joint operation ongoing*
- Preliminary studies on potential alternative product haulage solutions (rail / light rail)
- Discussions with Aurizon in relation to Anketell solution and MIN in relation to BOTS
- Cost estimates for an expanded 20 Mtpa road and port infrastructure operation

CURRENT CAPEX AND OPEX ESTIMATES



Optimisation work to date has materially improved the economics for an independent 8 Mtpa mine-to-port operation at Buckland.

Capital Cost Estimate ($\pm 25\%$)

	Jun-14 Estimate ¹ (A\$M)	Dec-15 Estimate (A\$M)
Upfront Capital Cost	826	879
Deferred Capital Costs	172	64
Total Capital Costs	997	942

C1 Cash Operating Cost Estimate ($\pm 25\%$)

	Jun-14 Estimate ^{1,2} (A\$/wmt)	Dec-15 Estimate (A\$/wmt)
Total C1 Cash Costs	41.7	31.6



1. IOH prepared both a BOOT and No BOOT scenario in the feasibility study. No BOOT numbers are presented above and therefore differ from the BOOT numbers presented in IOH's announcement date 4 June 2014.
2. Operating cost estimates are presented in A\$/wmt and therefore differs from the IOH announcement which was presented in A\$/dmt. Assumed Buckland product moisture is 9%.

Optimisation studies reduced haulage cost estimate by nearly 50% to A\$7.9/wmt.

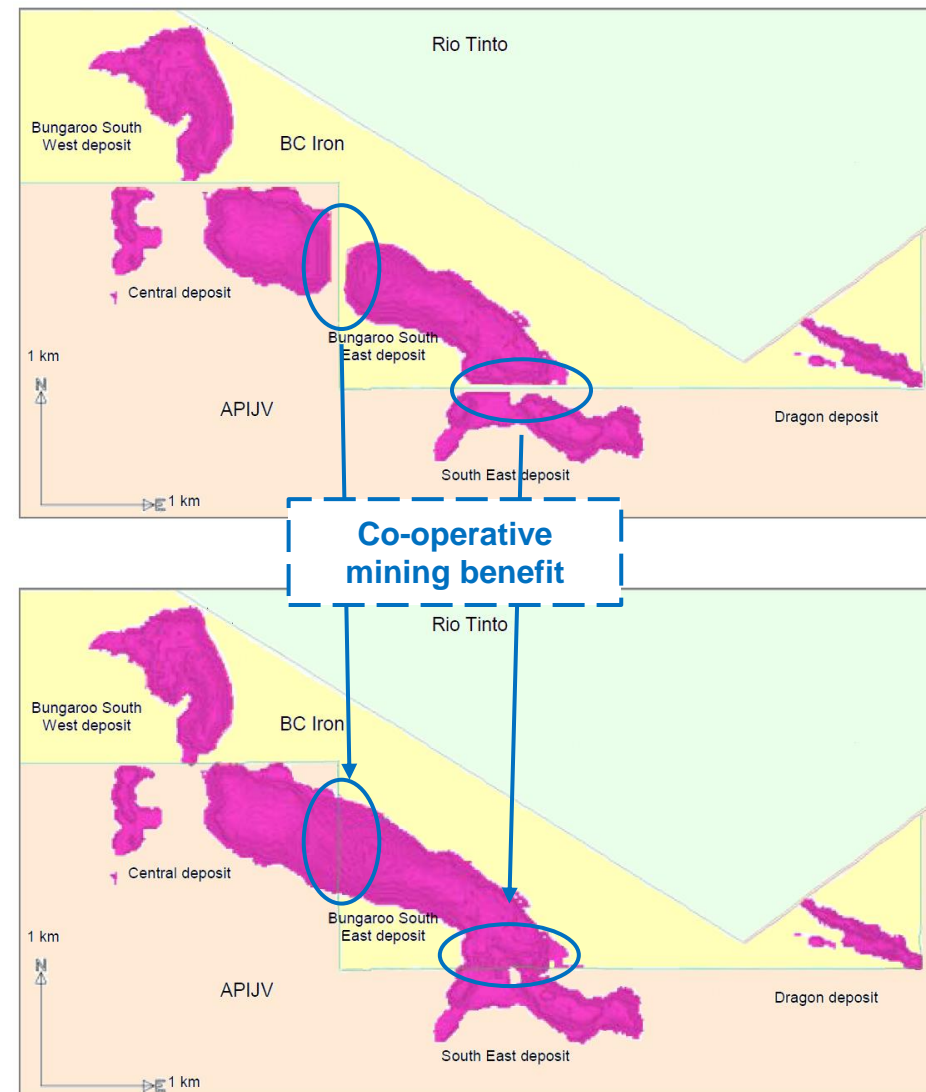
- Haulage costs were ~40% of the Jun-14 C1 cash costs
- Optimisation studies considered prime movers, trailer configurations and autonomous technology
- Revised road haulage concept envisages:
 - ❖ *A new prime mover capable of hauling increased payloads of 260 tonnes at improved gradients*
 - ❖ *Semi-autonomous convoy road haulage technology*
- Nearly a 50% reduction in haulage costs to A\$7.9/wmt
- Convoy road haulage, or “platooning” is a group of trucks at close distances, with a human driver in the first truck and other trucks following using wireless communication
 - ❖ *Technology already in use in other industries*
 - ❖ *Bolt-on technology with low capital cost*
 - ❖ *Reduced manning requirements and associated costs*
 - ❖ *Potential efficiency benefits (fuel usage and maintenance)*
- Continuing to assess alternatives (e.g. MIN’s BOTS)



API CO-OPERATIVE MINING STUDY



- Joint study undertaken by API and BC Iron relating to the contiguous Buckland Hills and Bungaroo South deposits
- Study results highlighted the benefits of co-operation – mainly, accessing ore up to the tenement boundaries
- BC Iron and API have entered into a term sheet
- Drafting of a legally binding document is underway
- Discussions ongoing in relation to a traditional joint mining operation
- Joint operation would provide substantial further benefits
 - ❖ *Economies of scale for capital and operating costs*
 - ❖ *More efficient surface water management*
 - ❖ *Improved management of waste stockpiles*



Preliminary work on an expanded 20 Mtpa road and port infrastructure operation expected to underpin attractive tariffs for potential third party users.

- Current Cape Preston East lease agreements envisage BC Iron capacity of up to 20 Mtpa for 20 years
 - ❖ *Potential to expand leased area and extend term (subject to satisfaction of certain conditions)*
- BC Iron has been assessing the potential for provision of standalone infrastructure services in the West Pilbara
- Preliminary capex and opex estimates completed for a 20 Mtpa road and multi-user port operation from a central West Pilbara location (~160km from CPE)
- Capital intensity of A\$43/t annual throughput
 - ❖ *Significantly lower than traditional rail and deepwater port solution (~A\$100/t)*
- Competitive road and port operating costs of A\$13.5/wmt
- These figures expected to underpin attractive tariffs for potential third party users

Capital Cost Estimate (± 35%)

	Dec-15 Estimate (A\$M)
Total Capital Cost	868

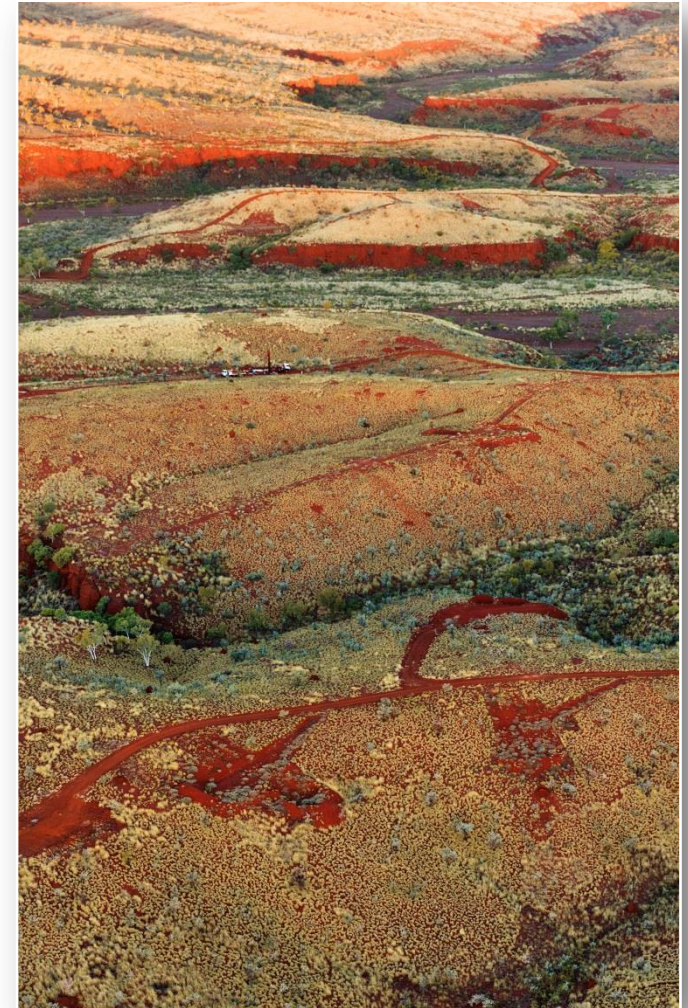
Cash Operating Cost Estimate (± 35%)

Area	Dec-15 Estimate (A\$/wmt)
Total Cash Operating Costs	13.5

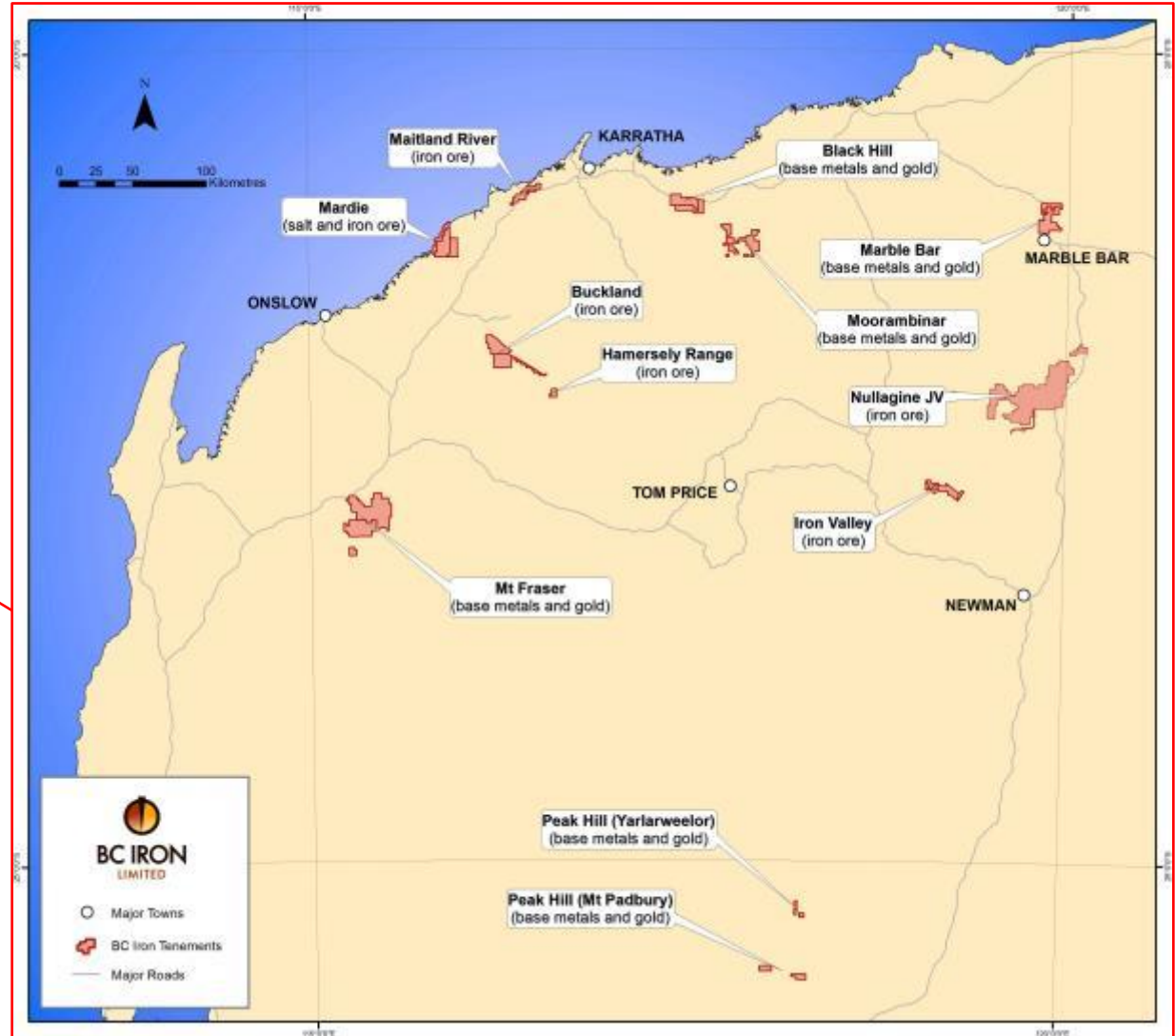
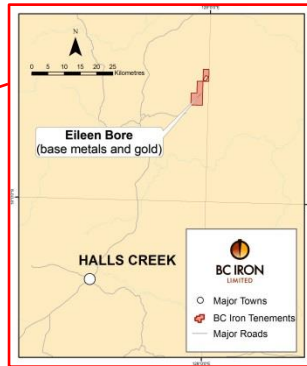


BC Iron plans to continue to de-risk and improve the Buckland Project.

- Continue to the Cape Preston East approvals process with the PPA
- Further improve economics of the independent 8 Mtpa mine-to-port operation
 - ❖ *Target further capital and operating cost reductions*
 - ❖ *Initial focus on mining and processing operating costs*
- Confirm technical viability of the revised road haulage concept
 - ❖ *Suitability of revised 260t payload prime mover and trailer configuration*
 - ❖ *Suitability and viability of convoy road haulage*
- Ongoing assessment of alternative development concepts
 - ❖ *Further desktop studies*
 - ❖ *Ongoing discussions with third parties (e.g. API in relation to joint mining and MIN in relation to BOTS)*



EXPLORATION PROJECTS



- Portfolio of exploration projects
- Prospective for commodities other than iron ore – base metals, gold and salt
- Identifying highest priority targets
- Considering a modest greenfields exploration programme
- Focus on Mt Fraser, Peak Hill, Black Hill and Marble Bar

SUMMARY

Iron Valley

- Operating mine that is generating cash flows via iron ore sale agreement with MIN
- Currently being operated as a ~6 Mtpa DSO, truck haulage operation
- MIN evaluating potential expansion to 16 Mtpa via construction BOTS

Buckland

- Strategic mine-to-port development project located in the West Pilbara
- Reduction in expected capital and operating costs has improved economics – further reductions anticipated from ongoing work
- Options continue to be evaluated – mine development, infrastructure expansion, alternative infrastructure solutions

Nullagine Joint Venture

- Temporarily suspended due to low iron ore prices
- Minimising holding costs and monitoring market conditions to consider options

IRON VALLEY RESERVES & RESOURCES



Mineral Resource at 30 June 2015 (100% BC Iron, subject to iron ore sale agreement with MIN)

Classification	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Measured	50	34.9	59.4	63.8	4.7	2.8	0.17	6.9
Indicated	50	172.8	58.4	63.0	5.0	3.1	0.18	7.4
Inferred	50	39.1	57.8	61.0	7.0	3.9	0.15	5.3
Total	50	246.8	58.4	62.8	5.2	3.2	0.17	7.0

Ore Reserve at 30 June 2015 (100% BC Iron, subject to iron ore sale agreement with MIN)

Classification	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
In-situ Proved	54	25.9	59.9	64.2	4.4	2.5	0.17	6.7
In-situ Probable	54	100.5	58.7	63.3	4.8	3.1	0.18	7.2
Stockpiles Proved	54	3.5	56.5	60.3	9.2	2.8	0.11	6.3
Total	54	129.9	58.9	63.4	4.8	3.0	0.17	7.1

Notes:

- The Ore Reserve estimate is based on beneficiable (upgradable) ore.
- Ore Reserve stockpiles have been converted to dry metric tonnes based on a 5.5% moisture content. Stockpiles include 1.25Mt of post-process lump and fines products.

BUCKLAND RESERVES & RESOURCES



Mineral Resource at 30 June 2015 (100% BC Iron)

Deposit	Classification	Cut-off (%Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Bungaroo South	Measured	50	30.9	57.4	62.1	6.7	3.0	0.15	7.6
	Indicated	50	214.9	56.6	61.6	7.8	2.4	0.15	8.1
Dragon	Indicated	50	9.1	55.8	60.9	8.1	3.1	0.14	8.3
	Inferred	50	3.4	54.7	59.4	10.2	3.0	0.13	7.9
Rabbit	Indicated	50	5.9	55.0	58.9	10.3	3.4	0.13	6.6
	Inferred	50	1.3	53.7	58.1	11.2	3.3	0.08	7.5
Rooster	Indicated	50	5.2	55.8	60.2	7.2	4.6	0.08	7.3
	Inferred	50	5.4	52.1	56.8	9.6	6.3	0.06	8.3
Snake	Inferred	50	7.1	57.0	62.6	5.8	2.8	0.15	9.0
Sub-total	Measured	50	30.9	57.4	62.1	6.7	3.0	0.15	7.6
	Indicated	50	235.1	56.5	61.5	7.9	2.5	0.14	8.1
	Inferred	50	17.2	54.8	59.8	8.3	4.0	0.11	8.4
Total			283.3	56.5	61.4	7.8	2.7	0.14	8.1

Ore Reserve at 30 June 2015 (100% BC Iron)

Deposit	Classification	Cut-off (%Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Bungaroo South	Proved	54	23.2	58.3	62.9	5.8	2.9	0.15	7.4
	Probable	54	106.7	57.5	62.6	6.6	2.3	0.15	8.1
Dragon	Proved	54	-	-	-	-	-	-	-
	Probable	54	4.4	57.1	62.3	6.5	2.8	0.14	8.4
Sub-total	Proved	54	23.2	58.3	62.9	5.8	2.9	0.15	7.4
	Probable	54	111.1	57.5	62.6	6.6	2.3	0.15	8.1
Total			134.3	57.6	62.6	6.5	2.4	0.15	8.0

NJV RESERVES & RESOURCES



CID Mineral Resource at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	10.2	52.7	60.1	4.5	5.1	0.017	0.012	12.4
Indicated	34.1	54.2	62.0	3.2	4.3	0.017	0.011	12.5
Inferred	47.6	51.9	58.6	5.5	6.7	0.023	0.019	11.4
Total CID	91.9	52.8	60.0	4.5	5.6	0.020	0.015	12.0

DSO Mineral Resource at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Measured	4.2	57.0	64.4	2.7	3.0	0.016	0.013	11.5
Indicated	21.6	57.1	64.8	2.0	3.0	0.016	0.011	12.0
Inferred	5.5	56.9	64.0	2.7	3.9	0.021	0.014	11.1
Total DSO	31.3	57.0	64.6	2.2	3.1	0.017	0.012	11.8

DSO Ore Reserve at 30 June 2015 (BC Iron 75%, FMG 25%)

Classification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Proved	1.3	57.9	65.6	2.1	2.2	0.01	0.01	11.7
Probable	19.4	56.9	64.7	2.0	3.1	0.01	0.01	12.1
Total	20.7	56.9	64.7	2.0	3.0	0.01	0.01	12.1

BSO Probable Ore Reserve at 30 June 2015 (BC Iron 75%, FMG 25%)

	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI
Feed Material	13.5	51.3	59.2	3.6	5.5	0.017	0.011	13.4
Beneficiated Product	5.4	54.0	62.2	2.8	4.3	0.015	0.010	13.0

DSO Stockpile Inventory at 30 June 2015 (BC Iron 75%, FMG 25%)

	Mt	Fe%	Al ₂ O ₃ %	SiO ₂ %
Total	0.56	55.1	2.8	3.5

Note:
 CID Resources are inclusive of DSO Resources, which are in turn inclusive of DSO Reserves. CID Resources are also inclusive of a portion of the BSO Reserve (feed material) that doesn't sit within existing low grade stockpiles. CID means "channel iron deposit", DSO means "direct shipping ore" and BSO means "beneficiated shipping ore".

IMPORTANT NOTICES



This document has been prepared by BC Iron Limited ("BC Iron") to provide an update regarding the companies to investors.

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IMPORTANT NOTICES



Ore Reserves and Mineral Resources Disclosures

The information in this announcement that relates to Mineral Resources and Ore Reserves at the Nullagine Joint Venture is extracted from the ASX announcement entitled NJV Ore Reserves and Mineral Resources dated 25 August 2015 and is available to view on <http://www.bcion.com.au/investors/asx-announcements/2015.html>. BC Iron confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. BC Iron confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to Mineral Resources and Ore Reserves at the Buckland Project is extracted from the Iron Ore Holdings Limited ASX Announcement titled "Buckland Project – Updated Ore Reserve" (dated 4 June 2014). This announcement is available to view at <http://www.bcion.com.au/investors/asx-announcements/ioh-archive.html>. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement that relates to Mineral Resources and Ore Reserves at Iron Valley is extracted from the ASX announcement entitled Iron Valley Ore Reserves and Mineral Resources dated 25 August 2015 and is available to view on <http://www.bcion.com.au/investors/asx-announcements/2015.html>. BC Iron confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. BC Iron confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.



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