

Dated June 5, 2007

ASX Release

**FURTHER EXCELLENT RESULTS FROM RC DRILLING –
NULLAGINE PROJECT**

- **Major widths and grades of iron mineralisation outlined at Goongan Well**
- **Best results include:**
 - 9 m @ 59.2 % Fe (67.1 % calcined Fe) from surface and**
 - 6 m @ 58.5 % Fe (66.5 % CaFe) from 2 m**
- **Maximum thickness of 14 metres and average thickness of 10 metres over 1.8 km channel length**
- **In-fill drilling at Outcamp and Goongan Well currently underway**

BC Iron Limited (ASX: BCI) is pleased to announce that it has received additional excellent assay results from the ongoing reverse circulation (RC) drilling program at its **Nullagine Project** in Western Australia's Pilbara region. The latest results have outlined a second prospect, **Goongan Well**, capable of producing Direct Shipping Ore ("DSO").

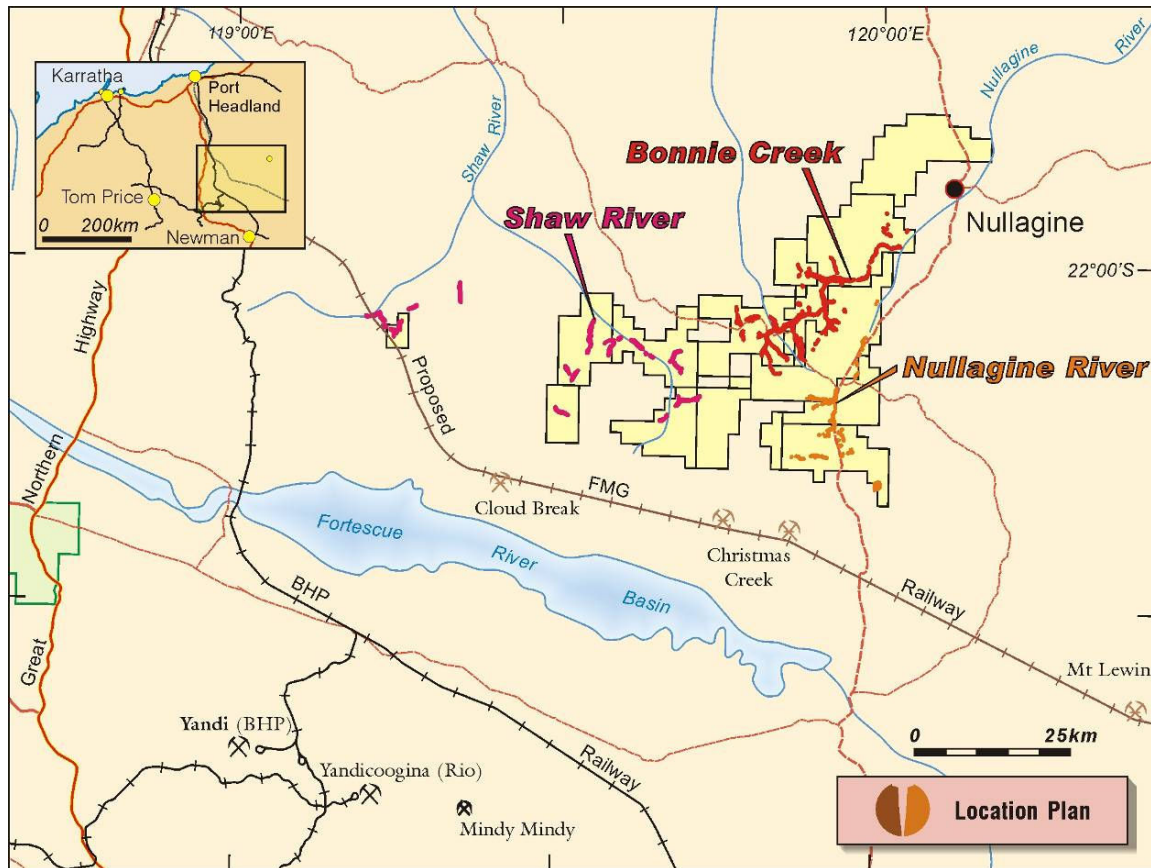
BC Iron's Nullagine Project is located 150 km north of Newman and 240 km southeast of Port Hedland (Figure 1). Fortescue Metals Group's railway line between its Cloud Break Project and Port Hedland crosses the **Western Shaw River** Channel Iron Deposit (CID) which is located on the Company's tenements. The other CIDs in the main tenement group lie between 14 and 65 km northeast of FMG's operations and rail-head at Cloud Break.

Analytical results have now been received from all but three of the remaining holes completed over prospects on the Bonnie Creek and Nullagine River palaeochannels. The results announced are for drill holes BD0108-0180, with best assays including:

6 m @ 58.4 % Fe from 3 m in BD0170 (66.4 % CaFe)
9 m @ 59.2 % Fe from 3 m in BD0171 (67.1 % CaFe)
4 m @ 56.7 % Fe from 4 m in BD0172 (64.5 % CaFe)
5 m @ 57.7 % Fe from 5 m in BD0173 (65.8 % CaFe)
7 m @ 57.8 % Fe from 4 m in BD0174 (65.9 % CaFe)
6 m @ 58.5 % Fe from 2 m in BD0175 (66.5 % CaFe)

All intersections including major impurities are detailed in Table 2.

Figure 1 – Location Map of the Nullagine Project



Prospective iron rich deposits have been identified within three palaeochannel systems - Bonnie Creek, Nullagine River and Shaw River (Figure 1 & 2). Drilling completed since commencing in April comprises 183 holes for 4,439 m and has so far identified iron enrichment capable of producing Direct Shipping Ore (“DSO”) from two prospects on the Bonnie Creek System – **Outcamp Well** and **Goongan Well**.

Bonnie Creek CID

The **Goongan Well Prospect**, which forms part of the Bonnie Creek palaeochannel (Figure 3), is approximately 1.8 km long and has an average width of 450 m (Figure 3). The CID at Goongan comprises an upper goethite-rich zone (FeCID) with minor carbonate bands and increasing clay content at depth. Carbonate and clay-rich CID (cyCID) also overlies the FeCID on the flanks of the channel towards the east.

As at the **Outcamp Well Prospect**, impurities such as alumina (Al_2O_3), silica (SiO_2), phosphorus (P) and sulphur (S) are low and are comparable to the CIDs currently mined at Yandicoogina by Rio Tinto and BHP-Billiton. Elevated Loss On Ignition (LOI) values are due to the high *goethite* (hydrous iron oxide) content of the CIDs and result in a higher “calcined” iron grade.

To the east of Goongan Well, the iron-rich CID in the **Bonnie Creek Central Prospect** narrows to less than 100 m width. Several drill traverses have been completed along a 6 km length (Figure 4) with better intersections including:

17 m @ 52.7 % Fe from 0 m in BD0101 (59.9 % CaFe)
including 4 m @ 57.9 % Fe from 9 m (65.5 % CaFe)
8 m @ 54.3 % Fe from 4 m in BD0156 (61.9 % CaFe)
4 m @ 52.3 % Fe from 15 m in BD0157 (59.8 % CaFe)
14 m @ 52.4 % Fe from 0 m in BD0159 (59.7 % CaFe)
including 6 m @ 56.7 % Fe from 7 m (64.2 % CaFe)

Other prospects with the Bonnie Creek CID, including **Bonnie Creek East** and **Tindish** have identified minor zones of higher grade ($\pm 57\%$ Fe) material within broader zones of lower grade CID. These prospects will be assessed for their potential to be upgraded to DSO through beneficiation.

Nullagine River CID

The Nullagine River CID has been largely eroded by present day drainage and outcrops as small discontinuous mesas (Figure 5). Results for drilling from the **Dandy Well** and **Cattle Well Prospects** (Table 1) have outlined minor zones of moderate grade ($\pm 54\%$ Fe) as well as lower grade CID ($\pm 48\%$ Fe).

Shaw River CID

The Shaw River CIDs form isolated outcrops as the palaeochannel system was subjected to more modern-day erosion than the more continuous, and less eroded, Bonnie Creek CID. Drilling at Shaw River has not commenced; however, field examination of the outcrops indicates that the potential to identify further DSO at Shaw River remains high. As outlined in BC Iron's Prospectus, results of surface sampling along the central parts of the CID average 55.8% Fe (62.7% CaFe), 3.79% SiO₂, 4.20% Al₂O₃, 0.03% P, 0.04% S and 11.0% LOI.

Current and future drilling

In-fill drilling is currently underway at **Outcamp Well Prospect** and will proceed to areas where access was not previously possible including **Goongan Well** and other prospects on the Bonnie Creek and Nullagine CIDs.

Logistical issues have delayed the completion of the Heritage Survey and therefore the drilling at Shaw River, scheduled for June, will not be carried out as planned. BC Iron is working with the Claimants to ensure that the survey can be completed at the earliest possible time.

For **BC IRON LIMITED**



Mike Young

Managing Director

Phone : 08 9324 3200

myoung@bciron.com.au

Table 1 – Intersections from RC Drilling Nullagine Project

Bonnie Creek CID - Goongan Well Prospect

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0103	5	14	9	51.7	59.6	4.7	3.8	0.01	0.02	11.4
<i>including</i>	10	14	4	57.4	65.2	1.9	1.9	0.01	0.02	11.2
BD0104	5	15	10	51.7	59.1	5.3	3.9	0.01	0.02	11.1
<i>including</i>	5	10	5	58.7	66.4	2.2	1.2	0.01	0.02	11.1
<i>including</i>	12	15	3	58.8	66.6	2.0	1.4	0.01	0.02	11.5
BD0105	0	15	15*	45.9	53.3	8.2	6.3	0.01	0.03	11.6
<i>including</i>	5	7	2	56.9	64.7	3.3	1.6	0.01	0.04	11.5
<i>including</i>	12	14	2	60.1	67.8	0.9	1.3	0.01	0.02	11.1
BD0106	0	14	14	55.2	64.3	3.0	2.1	0.01	0.02	11.4
<i>including</i>	0	8	8*	49.9	57.8	6.4	4.5	0.01	0.02	11.5
<i>including</i>	8	14	6	58.9	66.7	1.9	1.3	0.01	0.02	11.2
BD0107	0	2	2*	49.5	57.6	6.0	4.5	0.02	0.01	11.7
<i>including</i>	10	13	3	54.8	62.1	4.3	4.7	0.01	0.02	11.5
BD0108	2	4	4*	46.8	54.4	8.3	5.4	0.02	0.03	11.3
<i>BD110-161 drilled at other locations and reported separately</i>										
BD0170	0	9	9	54.4	62.5	3.5	1.8	0.01	0.02	13.3
<i>including</i>	3	9	6	58.4	66.4	1.8	1.4	0.01	0.02	12.1
BD0171	0	12	12	57.6	65.2	3.2	2.2	0.02	0.02	11.6
<i>including</i>	3	12	9	59.3	67.1	1.8	1.3	0.01	0.02	11.6
BD0172	4	8	4	56.7	64.5	2.9	2.5	0.01	0.02	12.2
BD0173	3	11	8	56.0	64.1	2.6	2.2	0.01	0.02	12.8
<i>including</i>	5	10	5	57.7	65.8	1.7	1.8	0.01	0.02	12.3
BD0174	1	11	10	54.8	62.9	3.4	2.4	0.01	0.02	13.0
<i>including</i>	4	11	7	57.8	65.9	1.9	1.6	0.01	0.02	12.3
BD0175	0	11	11	55.8	63.8	2.8	2.6	0.01	0.02	12.7
<i>including</i>	2	8	6	58.5	66.5	1.9	1.3	0.01	0.02	12.0
BD0176	0	7	7*	45.2	53.9	5.8	3.3	0.01	0.03	17.1
<i>including</i>	5	7	2	55.7	64.2	1.8	2.0	0.01	0.05	13.2

Bonnie Creek CID - Bonnie Central

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0093	13	18	5*	50.8	58.1	7.1	5.0	0.01	0.02	11.7
<i>and</i>	13	15	2	55.4	63.2	4.1	2.5	0.01	0.02	11.6
BD0094	2	12	10*	49.3	56.4	8.5	5.7	0.02	0.03	12.1
<i>including</i>	3	5	2	55.7	63.0	4.7	2.7	0.02	0.03	11.3
BD0101	0	17(eoh)	17	52.7	59.9	6.5	4.2	0.02	0.02	11.4
<i>including</i>	9	13	4	57.9	65.5	2.9	1.9	0.02	0.02	11.3
BD0102	0	2	2	45.7	54.3	5.7	5.2	0.04	0.01	11.5
BD0153	3	8	5*	47.1	54.1	10.4	4.0	0.02	0.02	13.0
<i>and</i>	14	16	2	54.6	61.9	4.1	3.5	0.03	0.02	11.8
BD0154	3	7	4*	49.8	56.7	8.9	5.5	0.03	0.02	12.1
BD0155	3	8	5*	49.0	55.5	9.8	5.2	0.02	0.02	11.8
<i>including</i>	4	6	2	51.6	58.5	7.8	3.9	0.02	0.02	11.7

Bonnie Creek CID - Bonnie Central

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0156	4	20	16	51.3	58.4	7.2	4.9	0.03	0.02	12.2
<i>including</i>	4	12	8	54.3	61.9	5.2	2.3	0.03	0.02	12.2
BD0157	15	19	4	52.3	59.8	6.1	3.2	0.02	0.02	12.8
BD0159	0	14	14	52.4	59.7	6.6	3.7	0.02	0.02	12.4
<i>including</i>	0	3	3	55.8	63.4	4.6	1.2	0.01	0.02	11.9
<i>including</i>	7	13	6	56.7	64.2	3.9	2.2	0.02	0.03	11.8
<i>including</i>	9	13	4	57.9	65.4	3.4	1.7	0.02	0.03	11.5
BD0160	1	3	2	51.3	59.1	6.8	2.5	0.02	0.02	13.1
BD0160	6	11	5*	49.6	57.0	7.4	5.6	0.05	0.02	13.0

Bonnie Creek CID - Tindish

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0145	0	10	10	47.2	53.3	9.7	9.8	0.04	0.03	11.5
<i>including</i>	0	4	4	53.5	59.7	6.5	5.8	0.03	0.03	10.4
BD0146	0	4	4	54.3	60.1	6.0	5.7	0.03	0.04	9.6
<i>including</i>	0	2	2	55.9	61.6	5.6	4.5	0.03	0.03	9.1
BD0150	0	2	2	51.2	55.6	8.9	8.5	0.03	0.05	8.0

Nullagine River CID - Dandy Well

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0110	0	9	9*	51.0	57.6	6.8	7.4	0.03	0.02	11.2
BD0111	0	5	5	52.9	59.3	5.7	6.4	0.03	0.02	10.4
BD0112	0	3	3	55.7	62.0	4.7	4.3	0.03	0.03	9.7
BD0113	1	5	4*	50.2	56.1	7.6	8.3	0.03	0.02	10.2
BD0114	0	7	7*	48.4	54.4	9.5	9.1	0.02	0.03	10.6
BD0115	0	5	5*	46.4	52.4	10.0	11.1	0.03	0.03	10.9
BD0116	0	2	4*	48.6	54.0	9.6	9.6	0.03	0.03	9.7
BD0117	0	2	2*	48.8	54.6	8.4	10.0	0.03	0.04	10.3
BD0118	0	5	5*	49.2	57.1	6.7	3.9	0.02	0.02	11.1
BD0119	6	12	6	52.9	60.7	5.1	3.5	0.02	0.02	12.9
BD0120	8	12	4	52.3	60.0	5.4	3.9	0.01	0.03	12.9
BD0121	11	13	2	55.7	63.2	3.8	2.4	0.03	0.03	12.0
BD0122	4	9	5*	47.6	56.2	5.8	4.4	0.02	0.04	15.4
BD0123	7	9	2*	48.6	55.9	8.0	6.4	0.02	0.04	13.1
BD0124	4	5	1*	48.5	56.0	5.8	5.3	0.02	0.02	13.5
BD0126	0	3	3*	50.5	56.1	9.0	7.5	0.02	0.02	10.0
BD0127	9	10	1*	45.5	52.6	9.2	8.8	0.04	0.02	13.5
BD0128	5	8	3*	48.1	55.3	6.8	8.5	0.02	0.04	13.1
BD0129	0	3	3*	50.2	56.0	9.5	6.6	0.03	0.02	10.4

Nullagine River CID - Cattle Well Prospect

Hole ID	From	To	Length	Fe	CaFe ₁₀₀₀	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
BD0132	0	3	3*	47.0	52.3	11.9	9.0	0.03	0.02	10.2
BD0133	0	2	2	51.6	58.7	6.1	5.4	0.02	0.02	12.1
BD0134	0	2	2	51.3	58.4	5.9	4.2	0.03	0.02	12.2
BD0138	6	9	3*	50.6	58.1	6.6	5.2	0.03	0.04	12.9
BD0139	6	8	2*	46.4	52.1	14.1	6.3	0.01	0.02	10.9

1 m samples, riffle split, no wet samples. Analyses conducted by Ultratrace Laboratories using X-Ray Fluorescence Spectrometry with

Loss on Ignition (LOI) determined using Thermo-Gravimetric Analyses at 450° C, 650° C, and 1000° C

Calcined Fe (CaFe) calculated by the formula $CaFe \% = (Fe \% / (100 - LOI_{1000})) * 100$

Intervals using varying Fe cut offs with maximum 2 m internal dilution.

* indicates intersections using 45 % Fe cut off

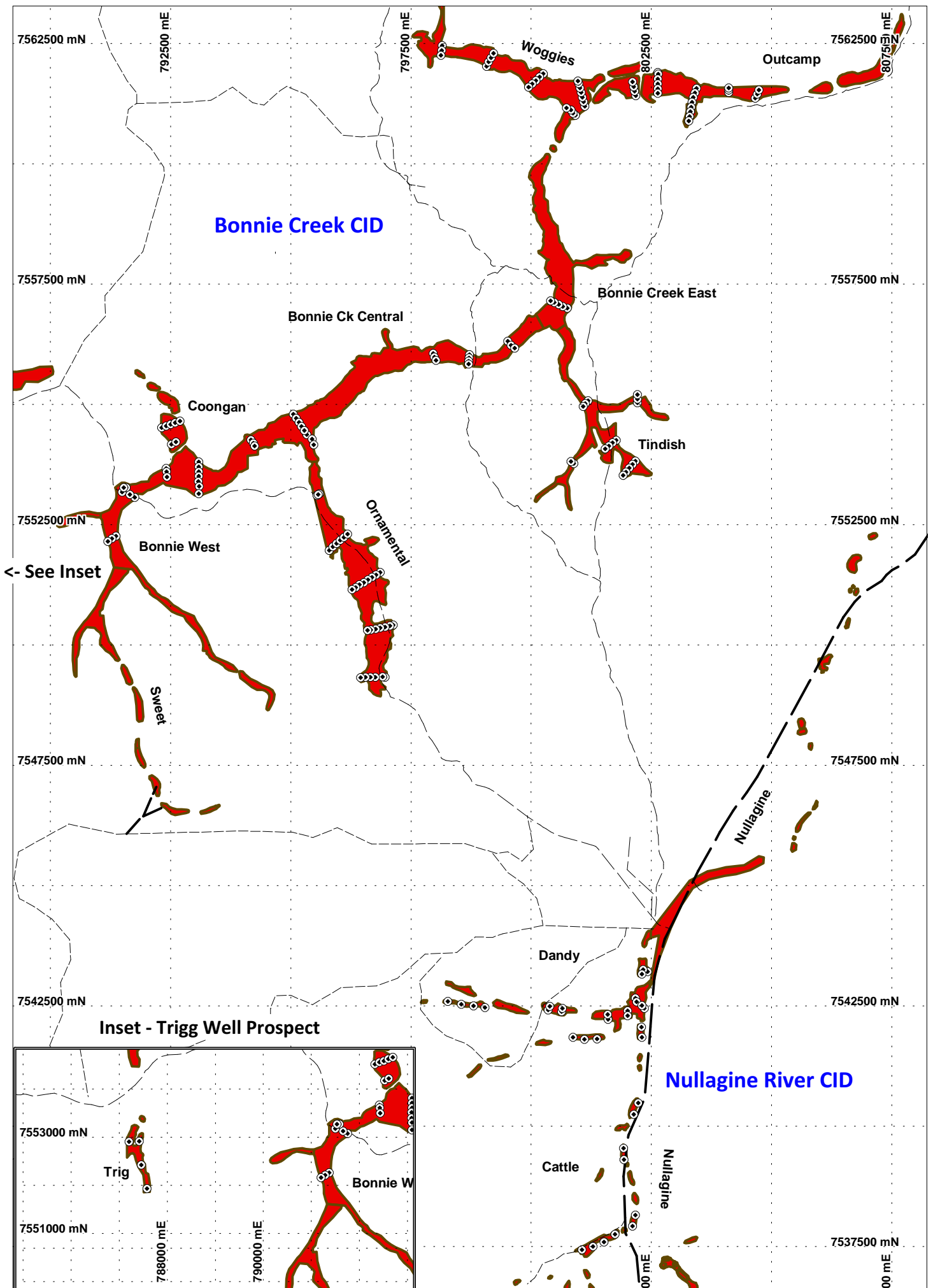
Table 2 – Drill hole location

HoleID	Depth	Dip	East (MGA94)	North (MGA94)	RL
BD0107	14	-90	793,082	7,553,400	494
BD0108	23	-90	793,093	7,553,302	495
BD0109	33	-90	793,089	7,553,148	495
BD0110	26	-90	800,631	7,542,382	500
BD0111	26	-90	800,651	7,542,449	498
BD0112	23	-90	800,350	7,542,418	492
BD0113	29	-90	800,383	7,542,494	496
BD0114	28	-90	799,034	7,542,462	502
BD0115	28	-90	798,803	7,542,460	499
BD0116	23	-90	798,545	7,542,491	505
BD0117	32	-90	798,263	7,542,520	509
BD0118	29	-90	802,416	7,543,210	485
BD0119	31	-90	802,329	7,543,257	485
BD0120	25	-90	802,301	7,543,159	485
BD0121	23	-90	802,162	7,542,665	488
BD0122	27	-90	802,193	7,542,584	490
BD0123	28	-90	802,299	7,542,510	490
BD0124	19	-90	802,007	7,542,400	488
BD0125	14	-90	802,005	7,542,297	490
BD0126	26	-90	801,599	7,542,220	490
BD0127	14	-90	801,586	7,542,325	490
BD0128	14	-90	801,371	7,541,813	492
BD0129	19	-90	801,107	7,541,802	492
BD0130	11	-90	800,870	7,541,845	489
BD0131	22	-90	802,356	7,542,446	484
BD0132	17	-90	801,741	7,537,750	496
BD0133	20	-90	801,512	7,537,593	498
BD0134	20	-90	801,286	7,537,499	500
BD0135	11	-90	801,058	7,537,430	500
BD0136	17	-90	801,926	7,539,301	490
BD0137	21	-90	801,924	7,539,541	490
BD0138	16	-90	802,103	7,537,921	495
BD0139	14	-90	802,162	7,538,149	494
BD0140	20	-90	802,133	7,540,247	488
BD0141	11	-90	802,227	7,540,484	489
BD0142	14	-90	802,294	7,542,061	485
BD0143	11	-90	802,301	7,541,851	485
BD0144	20	-90	801,179	7,555,074	500
BD0145	20	-90	801,125	7,555,016	501
BD0146	17	-90	801,083	7,554,959	501
BD0147	17	-90	802,169	7,553,827	515
BD0148	8	-90	802,104	7,553,752	515
BD0149	23	-90	802,039	7,553,676	515
BD0150	14	-90	801,974	7,553,599	515
BD0151	14	-90	801,911	7,553,523	510
BD0152	27	-90	799,515	7,556,314	492
BD0153	32	-90	799,582	7,556,230	491
BD0154	40	-90	799,657	7,556,170	493
BD0155	34	-90	798,712	7,556,040	495
BD0156	34	-90	798,707	7,555,972	495
BD0157	37	-90	798,700	7,555,904	495
BD0158	36	-90	798,696	7,555,838	496
BD0159	31	-90	797,962	7,556,064	490
BD0160	32	-90	797,988	7,555,986	490
BD0161	30	-90	798,020	7,555,919	493
BD0162	20	-90	792,414	7,553,668	485
BD0163	11	-90	792,418	7,553,607	485
BD0164	15	-90	792,431	7,553,497	488
BD0165	14	-90	791,754	7,553,070	493
BD0166	11	-90	791,656	7,553,126	492
BD0167	8	-90	791,498	7,553,177	493
BD0168	8	-90	791,583	7,553,271	491
BD0169	8	-90	791,527	7,553,270	493
BD0170	14	-90	792,519	7,554,175	490
BD0171	20	-90	792,610	7,554,221	490
BD0172	13	-90	792,317	7,554,519	485
BD0173	17	-90	792,411	7,554,554	490
BD0174	17	-90	792,506	7,554,587	489
BD0175	17	-90	792,600	7,554,622	487
BD0176	11	-90	792,694	7,554,656	481
BD0177	11	-90	787,422	7,552,914	517
BD0178	10	-90	787,458	7,552,417	522
BD0179	11	-90	787,580	7,551,932	525
BD0180	8	-90	787,210	7,552,900	517
BD0181	9	-90	791,371	7,552,260	498
BD0182	8	-90	791,283	7,552,210	500
BD0183	11	-90	791,201	7,552,154	500

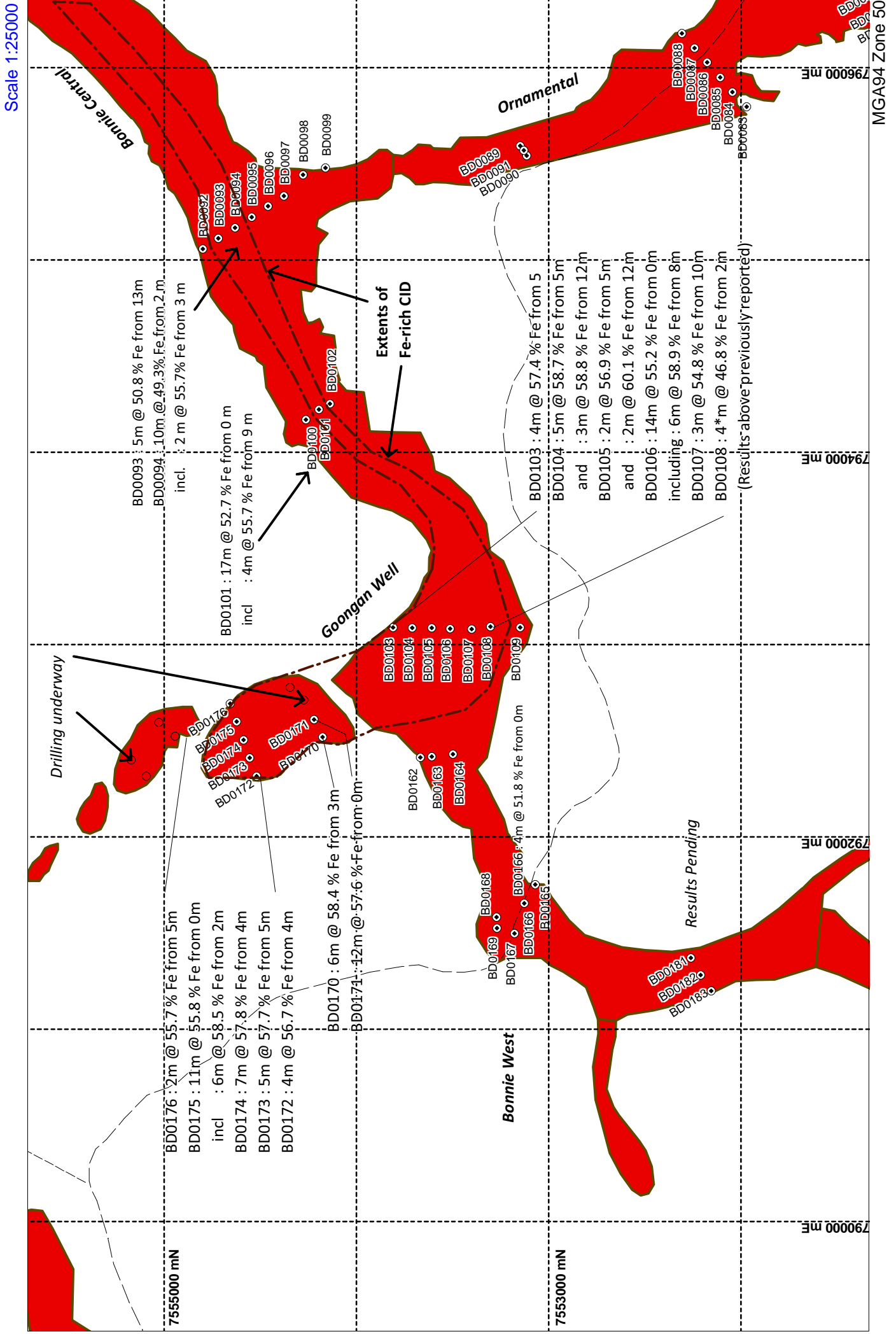
The information in this report that relates to Exploration Results is based on information compiled by Mr M Young who is a Member of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Young qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Young consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Figure 2 - Location Plan
Bonnie Creek and Nullagine River CIDs

Scale 1:100,000



**Figure 3 - Goongan Well Prospect
RC Drilling Results**



**Figure 4 - Bonnie Central & Tindish Prospects
RC Drilling Results**

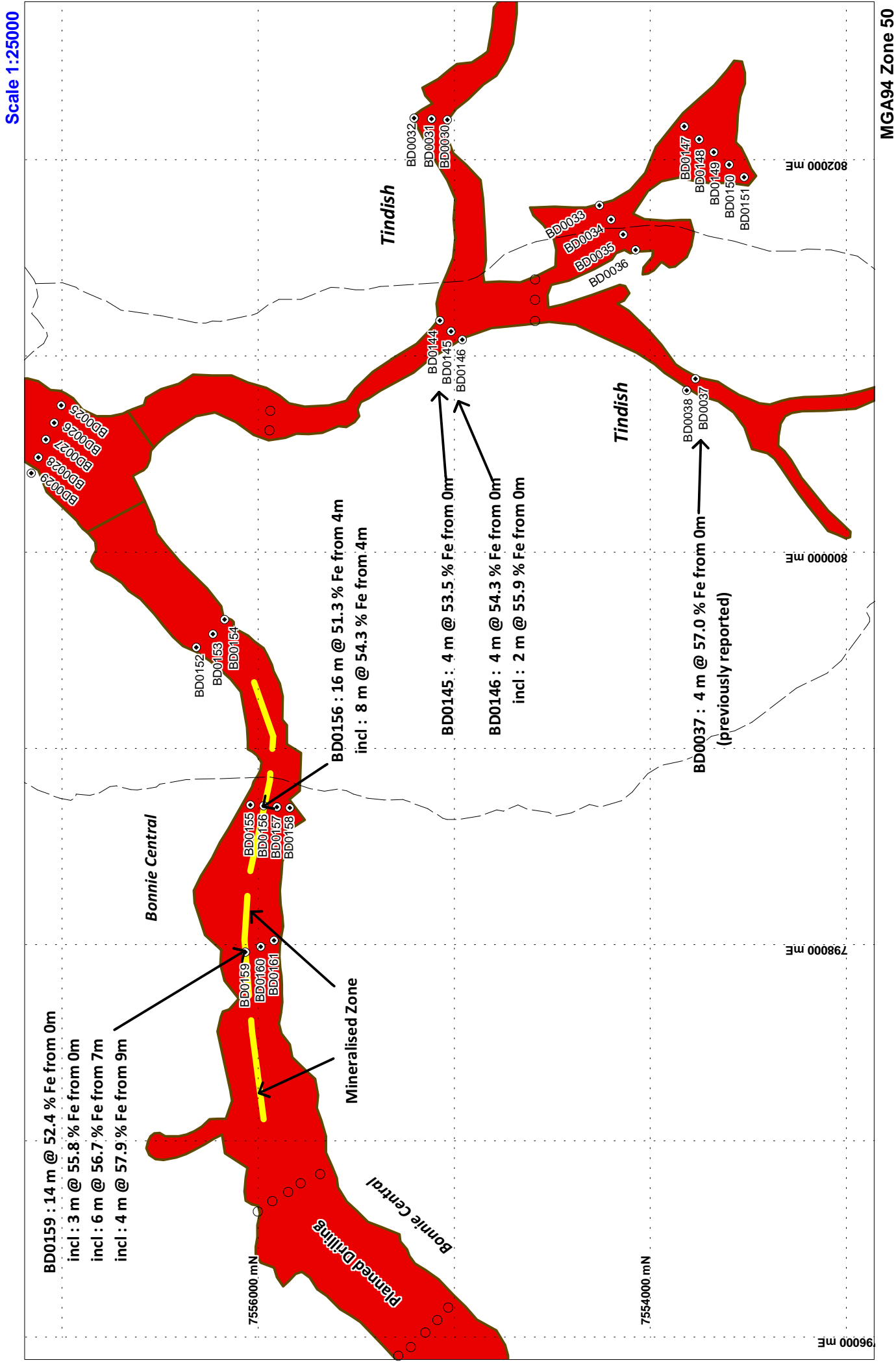
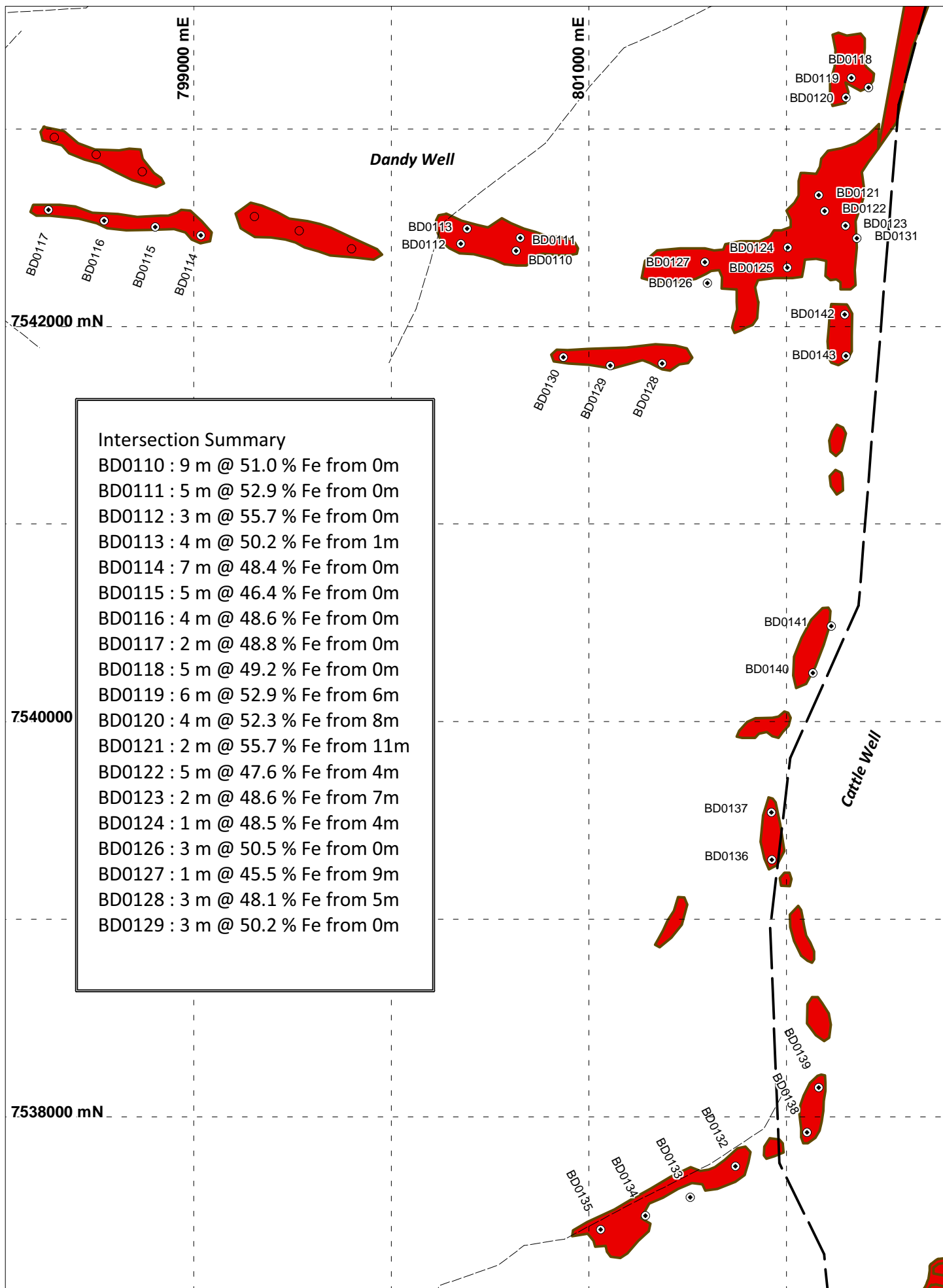


Figure 5 - Dandy & Cattle Well Prospects
RC Drilling Results

Scale 1:25000



Intersection Summary

BD0110	: 9 m @ 51.0 % Fe from 0m
BD0111	: 5 m @ 52.9 % Fe from 0m
BD0112	: 3 m @ 55.7 % Fe from 0m
BD0113	: 4 m @ 50.2 % Fe from 1m
BD0114	: 7 m @ 48.4 % Fe from 0m
BD0115	: 5 m @ 46.4 % Fe from 0m
BD0116	: 4 m @ 48.6 % Fe from 0m
BD0117	: 2 m @ 48.8 % Fe from 0m
BD0118	: 5 m @ 49.2 % Fe from 0m
BD0119	: 6 m @ 52.9 % Fe from 6m
BD0120	: 4 m @ 52.3 % Fe from 8m
BD0121	: 2 m @ 55.7 % Fe from 11m
BD0122	: 5 m @ 47.6 % Fe from 4m
BD0123	: 2 m @ 48.6 % Fe from 7m
BD0124	: 1 m @ 48.5 % Fe from 4m
BD0126	: 3 m @ 50.5 % Fe from 0m
BD0127	: 1 m @ 45.5 % Fe from 9m
BD0128	: 3 m @ 48.1 % Fe from 5m
BD0129	: 3 m @ 50.2 % Fe from 0m