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NULLAGINE IRON ORE PROJECT – EXCELLENT RESULTS FROM ROCK CHIP SAMPLING AND DRILLING UPDATE

HIGHLIGHTS

- **Rock chip sampling from the Shaw River and Bonnie Creek returns excellent results**
- **Significant assays include:**
 - 10 samples over 3.5 km @ 58.9% Fe**
 - 13 samples over 5 km @ 57.7% Fe**
- **In-fill & reconnaissance drilling underway**
- **Initial Inferred Resource estimate for Outcamp and Coongan Well scheduled for March Quarter 2008**

BC Iron Limited (ASX: **BCI**) is pleased to advise that it has received excellent results from an extensive program of rock chip sampling of the **Shaw River Palaeochannel**, part of its **Nullagine Iron Ore Project** in Western Australia's Pilbara region.

The results confirm the potential for Shaw River to host Channel Iron Deposits (CID) in addition to those already established Outcamp Well and Coongan Well Prospects.

Shaw River is one of three palaeochannel systems at the Company's Nullagine Project which is located close to Fortescue Metal Group's Cloud Break and Christmas Creek operations. Drilling to date has discovered several Channel Iron Deposits (CID) with the potential to produce direct shipping iron ore (DSO).

To date, only the Bonnie Creek and Nullagine River palaeochannels have been drilled as cyclonic activity during March 2007 caused unavoidable delays in obtaining Heritage approvals for drilling at Shaw River.

During September, rock chip sampling was carried over several CID outcrops at Shaw River. Only outcrops which are accessible by foot have been sampled. Several of the outcrops form vertically walled mesas which are only accessible by helicopter and therefore were not sampled during the programme. Systematic, non-random sampling was carried out over five prospects at Shaw River (Figure 1) totalling 51 samples over 17 km of channel length. A further 5 samples over 2 km were collected at Warrigal Well, east of Outcamp Well on Bonnie Creek (Figure 2).

The results are very encouraging with **39 samples returning assays of over 57% Fe with low contaminants.**

The results are summarised below in Table 1 and a full list of results is shown in Table 2.

Table 1. Summary of Rock Chip Sampling, Nullagine Project

Prospect	Length (km)	Number	Fe %	CaFe%	SiO₂%	Al₂O₃%	P%	S%	LOI%
Shaw River Palaeochannels CID									
Gap Well	5.5	12	52.3	59.1	8.6	4.5	0.02	0.05	11.3
(including)	2.0	5	57.3	64.5	4.0	2.1	0.02	0.06	11.3
Nymerinna	1.8	5	59.3	65.8	3.1	1.7	0.03	0.07	9.8
Kelly Ann	1.6	11	57.3	62.7	4.6	4.0	0.03	0.10	8.6
Emu Springs	5.0	13	57.7	63.7	3.8	3.4	0.03	0.06	9.5
Bamboo	3.5	10	58.9	65.9	2.6	1.7	0.02	0.06	10.7
Bonnie Creek Palaeochannels CID									
Warrigal	2.0	5	58.9	66.1	2.8	1.3	0.04	0.05	11.0

Drilling Update

Reverse Circulation (RC) drilling recommenced at the Nullagine Project during September with approximately 63 holes for 1,943 m drilled so far at Outcamp Well, Coongan Well and Warrigal Well. Another 3,500 m of drilling is to be completed by the end of December to complete the comprehensive regional coverage of all prospective palaeochannels at the Nullagine Project.

The infill drilling at Outcamp and Coongan Well Prospects is expected to provide the required data for an Inferred Resource estimate which will be completed during the March Quarter of 2008.

Corporate Road Show - London

During September, the Company's Managing Director, Mike Young, visited several institutional investors in London to raise the profile of BC Iron to overseas investors. The Company has received a very positive response from investors to this institutional roadshow.

The presentation is available at www.bciron.com.au.

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Table 2. Results of rock chip sampling, Nullagine Project

Prospect	N_GDA	E_GDA	Fe %	CaFe%	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Shaw River Palaeochannel									
Gap Well	7,555,551	764,276	47.9	54.4	9.8	9.0	0.02	0.06	12.1
Gap Well	7,555,938	764,281	45.3	51.2	13.7	8.8	0.02	0.04	11.5
Gap Well	7,555,140	763,916	54.1	61.8	4.4	4.8	0.01	0.04	12.6
Gap Well	7,554,770	763,636	38.0	41.2	34.4	2.3	0.01	0.05	7.6
Gap Well	7,554,314	763,423	51.0	58.3	7.8	6.1	0.02	0.07	12.5
Gap Well	7,553,711	763,420	52.1	59.1	6.2	6.6	0.02	0.03	11.9
Gap Well	7,553,302	763,283	52.9	59.9	6.4	5.5	0.03	0.03	11.7
Gap Well	7,552,823	763,333	59.1	66.4	2.5	1.4	0.01	0.04	11.1
Gap Well	7,552,384	763,124	54.3	61.8	5.8	3.7	0.02	0.05	12.1
Gap Well	7,551,904	763,068	57.5	65.8	3.4	1.1	0.03	0.10	12.6
Gap Well	7,551,332	763,370	57.8	63.6	3.9	3.6	0.03	0.05	9.2
Gap Well	7,550,889	763,189	57.8	65.1	4.5	1.0	0.03	0.05	11.2
Nymerinna	7,545,368	760,189	58.7	65.8	3.1	1.7	0.02	0.06	10.8
Nymerinna	7,545,778	760,468	60.2	66.2	3.9	0.8	0.02	0.07	9.0
Nymerinna	7,546,096	760,640	58.9	66.4	2.5	1.3	0.03	0.12	11.2
Nymerinna	7,546,478	760,932	59.0	65.8	3.0	1.7	0.02	0.05	10.4
Nymerinna	7,546,875	761,205	59.7	64.7	3.2	2.8	0.03	0.05	7.6
Kelly Ann	7,540,149	759,361	50.9	56.4	7.7	9.2	0.01	0.08	9.7
Kelly Ann	7,539,894	759,640	55.6	60.6	5.6	5.5	0.03	0.10	8.3
Kelly Ann	7,539,875	757,763	58.4	63.1	5.4	2.6	0.04	0.10	7.5
Kelly Ann	7,540,029	757,982	57.7	62.6	4.2	4.3	0.03	0.11	7.8
Kelly Ann	7,540,048	757,861	58.6	64.3	3.8	2.4	0.03	0.11	8.9
Kelly Ann	7,539,410	757,666	58.9	63.2	4.4	3.9	0.04	0.08	6.7
Kelly Ann	7,539,360	757,477	57.0	63.5	4.4	3.1	0.04	0.10	10.3
Kelly Ann	7,539,333	757,350	57.9	63.4	4.4	3.9	0.03	0.09	8.7
Kelly Ann	7,541,347	757,869	57.9	64.3	3.7	2.9	0.02	0.10	10.0
Kelly Ann	7,541,054	757,747	59.4	64.3	3.3	3.8	0.03	0.17	7.6
Kelly Ann	7,540,722	757,921	58.1	64.3	3.8	2.7	0.03	0.07	9.6
Emu Spr.	7,541,597	776,820	60.0	66.0	3.3	1.3	0.02	0.04	9.1
Emu Spr.	7,541,861	777,267	56.0	64.1	3.0	3.4	0.02	0.11	12.7
Emu Spr.	7,542,302	777,458	57.6	64.4	4.0	2.3	0.02	0.06	10.5
Emu Spr.	7,542,624	777,474	57.7	64.4	2.6	4.0	0.02	0.05	10.4
Emu Spr.	7,542,975	777,289	56.4	63.9	3.1	3.9	0.02	0.06	11.8
Emu Spr.	7,542,296	777,948	55.7	63.1	3.7	4.2	0.02	0.07	11.8
Emu Spr.	7,542,209	778,517	58.8	63.0	5.3	2.8	0.03	0.04	6.8
Emu Spr.	7,542,373	778,791	58.7	65.3	3.3	1.8	0.03	0.06	10.1
Emu Spr.	7,542,276	779,215	55.6	61.7	5.3	4.5	0.05	0.05	9.9
Emu Spr.	7,542,389	779,625	56.6	61.7	3.7	5.3	0.12	0.06	8.2
Emu Spr.	7,542,318	780,048	58.6	61.5	4.6	5.6	0.04	0.05	4.8
Emu Spr.	7,542,609	780,115	60.4	64.6	4.2	2.6	0.03	0.04	6.4
Emu Spr.	7,542,681	780,325	57.5	64.4	3.8	2.5	0.03	0.04	10.7
Bamboo	7,546,770	777,629	57.5	65.1	2.7	2.6	0.03	0.10	11.7
Bamboo	7,547,114	777,693	58.6	66.3	2.5	1.5	0.01	0.06	11.5

Bamboo	7,547,285	777,821	58.2	65.6	2.0	1.2	0.01	0.03	11.4
Bamboo	7,547,462	777,578	60.6	67.6	2.2	0.5	0.01	0.03	10.3
Bamboo	7,547,728	777,145	56.7	64.4	3.2	3.2	0.03	0.04	11.9
Bamboo	7,547,904	776,935	59.3	66.0	3.1	1.1	0.02	0.11	10.2
Bamboo	7,548,176	776,639	59.0	65.8	3.3	1.6	0.03	0.08	10.4
Bamboo	7,548,607	776,406	58.9	65.6	2.3	2.7	0.03	0.05	10.2
Bamboo	7,548,678	776,070	59.8	66.4	2.9	1.4	0.03	0.07	9.9
Bamboo	7,549,096	776,440	60.1	66.4	2.2	1.6	0.02	0.09	9.6
Bonnie Creek Palaeochannel									
Warrigal	7,561,701	806,430	57.7	65.1	3.2	1.9	0.03	0.09	11.5
Warrigal	7,561,804	806,900	59.4	66.3	2.9	1.1	0.04	0.08	10.5
Warrigal	7,562,024	807,307	59.2	66.6	2.6	1.0	0.02	0.03	11.1
Warrigal	7,562,452	807,564	59.2	66.5	2.8	1.0	0.03	0.04	11.0
Warrigal	7,562,922	807,742	58.8	66.0	2.7	1.7	0.06	0.03	11.0

Notes:

- 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 (reported)
- Calcined Fe (CaFe) calculated by the formula $CaFe\% = ((Fe\%) / (100 - LOI1000)) * 100$

JORC Statement

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many 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.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource

The information that relates to Exploration Results is based on information compiled by Michael Young who is a Member of The Australian Institute of Geoscientists and a Director of the Company. Mr Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Young consents to the inclusion in his name of the matters based on their information in the form and context in which it appears.



