



BC IRON LIMITED

Unit 8, 8 Clive Street
West Perth, WA 6005
GPO Box 2811 - Perth WA 6001
Telephone : +61 (0)8 9324 3200
Facsimile : +61 (0)8 9324 3111
Email : info@bciron.com.au
ABN : 21 120 646 924
ACN : 120 646 924
ASX : BCI
Website : www.bciron.com.au

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NEW IRON ORE DISCOVERY AT WARRIGAL WELL, NULLAGINE PROJECT

HIGHLIGHTS

- **First pass drilling at Warrigal Well highlights new DSO deposit**
- **Significant assays include:**
 - 13m @ 58.3% Fe (65.6% CaFe) from surface
 - 12m @ 57.4% Fe (64.6% CaFe) from surface
 - 14m @ 56.5% Fe (66.1% CaFe) from 1m
- **Diamond core drilling highlights further potential**
- **In-fill resource drilling completed at Coongan Well**
- **Significant assays include:**
 - 10m @ 58.0% Fe (65.8% CaFe) from 5m
 - 9m @ 57.8% Fe (65.6% CaFe) from 3m
 - 7m @ 57.5% Fe (65.4% CaFe) from 4 m
- **Initial Inferred Resource estimate expected in March Quarter 2008**

BC Iron Limited (ASX: **BCI**) is pleased to report that it has received excellent results from the previously untested **Warrigal Well** prospect and from the resource in-fill drilling program at **Coongan Well**, both part of its 100%-owned **Nullagine Iron Ore Project** in Western Australia's Pilbara region.

Reconnaissance Reverse Circulation (RC) drilling and diamond core drilling (DD) has now been completed at **Warrigal Well**, which lies directly east of **Outcamp Well** within the Bonnie Creek palaeochannel (Figure 1). The **Warrigal Well** prospect comprises a series of isolated, steep-walled mesas which occur along a 9 km length of the modern day Bonnie Creek.



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RC drilling was undertaken on the accessible outcrops with helicopter-supported diamond drilling completed on the remaining targets. Assays (Table 1) and collar positions (Figure 2) are shown below. Assays are pending from the diamond core holes, however in one recently drilled hole the Company's geologists have identified a **strongly mineralised, hematite-goethite bearing channel iron deposit (CID)** over a 20 metre interval from surface.

The assay results and core logging indicate that Warrigal Well has the potential to become a further source of Direct Shipping Ore (DSO) from the Nullagine Project.

Table 1 – RC Drilling results, Warrigal Well

Hole ID	From	To	Length	Fe%	CaFe%	SiO2%	Al2O3%	P%	S%	LOI%
BD0275	0	6	6	51.8	59.7	4.8	4.7	0.02	0.02	13.3
BD0276	0	8	8	54.4	62.7	3.1	1.8	0.02	0.02	13.2
including	4	8	4	55.2	63.4	2.5	1.7	0.02	0.02	12.9
BD0277	0	15	15	55.5	62.7	4.6	2.3	0.02	0.02	11.6
including	4	15	11	56.3	63.5	4.0	2.5	0.02	0.02	11.3
BD0278	0	7	7	53.9	60.1	8.0	3.2	0.02	0.01	10.3
including	0	2	2	55.5	62.0	7.1	2.3	0.02	0.02	10.4
including	4	7	3	57.7	64.0	4.2	2.4	0.02	0.01	9.9
BD0279	0	17	17	54.3	61.7	5.0	2.5	0.02	0.02	12.1
including	0	6	6	57.0	64.3	4.2	1.3	0.02	0.02	11.3
including	12	17	5	57.1	64.2	3.0	3.2	0.01	0.02	11.2
BD0280	0	13	13	57.8	64.8	3.2	2.6	0.02	0.02	10.7
BD0281	0	11	11	59.4	66.4	2.6	1.2	0.02	0.01	10.6
and	14	17	3	57.9	64.6	3.0	3.0	0.02	0.02	10.3
BD0282	1	15	14	56.5	63.9	3.4	1.4	0.02	0.02	11.8
including	4	15	11	58.3	65.6	2.8	1.1	0.02	0.02	11.1
BD0283	0	13	13	58.3	65.8	2.4	2.1	0.03	0.02	11.5
BD0284	0	11	11	58.4	65.6	2.7	2.0	0.02	0.01	11.0
BD0285	0	12	12	57.4	64.6	3.4	2.5	0.02	0.02	11.2
BD0286	4	11	7	52.1	56.8	7.5	8.3	0.03	0.03	8.2

Notes:

- 1). 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)
- 2). Calcined Fe (CaFe) calculated by the formula $CaFe\% = ((Fe\%) / (100 - LOI1000)) * 100$

At **Coongan Well**, the program of in-fill RC drilling has confirmed the results of wider-spaced drilling conducted earlier this year (Table 2 & Figure 3). The results confirm the potential for Coongan Well to provide a source of DSO with low contaminants and high calcined iron grades from at or near surface. Drilling on the untested outcrops at the north end of the Prospect intersected thin bands of CID. These outcrops are interpreted as being on the edge rather than the centre of the channel.

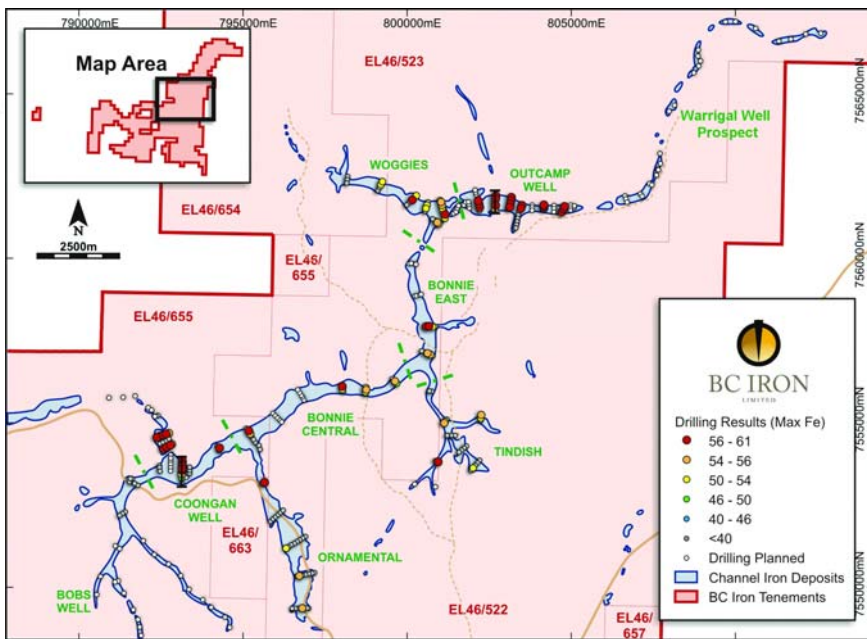


Figure 1 – Bonnie Creek Project area

Drilling conducted by BC Iron earlier this year has already discovered several Channel Iron Deposits (CIDs) with the potential to produce DSO within the Bonnie Creek (Figure 1), Nullagine River and Shaw River palaeochannel systems within the Nullagine Iron Ore Project.

Coongan Well is one of two priority targets within the Bonnie Creek palaeochannel system at the Nullagine Project, which is located close to Fortescue Metals Group's Cloud Break and Christmas Creek operations, where initial iron ore production is scheduled to commence in May 2008.

“These are excellent results and coupled with our previous drilling, gives us further confidence in our overall exploration target of between 30 and 75 Mt of DSO material.” said Managing Director Mike Young.

The Company remains on track to deliver an initial Inferred Mineral Resource for the Nullagine Project during the March Quarter of 2008.



Table 2 – RC Drilling results, Coongan Well

Hole ID	From	To	Length	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
BD0228	5	10	5	57.9	65.9	1.9	1.6	0.01	0.01	12.1
BD0231	8	17	9	50.2	57.5	6.6	6.2	0.01	0.02	12.9
<i>including</i>	13	15	2	60.4	68.3	1.2	0.6	0.01	0.01	11.5
BD0232	5	15	10	58.0	65.8	2.3	1.5	0.01	0.01	11.9
BD0234	9	12	3	53.5	60.9	4.9	4.6	0.02	0.02	12.2
BD0235	12	16	4	55.1	62.4	3.8	4.0	0.01	0.02	11.7
<i>including</i>	14	16	2	58.1	65.1	2.3	3.0	0.01	0.02	10.8
BD0236	12	17	5	56.5	64.2	2.9	2.8	0.02	0.03	12.0
BD0238	12	15	3	55.2	62.9	3.9	3.2	0.01	0.02	12.2
BD0239	5	8	3	53.2	61.2	4.4	3.9	0.02	0.02	13.0
<i>and</i>	11	13	2	55.1	63.0	3.6	2.7	0.01	0.02	12.6
BD0240	4	11	7	57.5	65.4	2.3	1.9	0.02	0.02	12.1
BD0241	5	10	5	57.0	64.9	2.5	2.3	0.02	0.02	12.2
BD0243	7	9	2	56.5	63.9	3.6	3.0	0.02	0.02	11.6
BD0244	3	7	4	50.7	58.5	5.9	4.5	0.02	0.02	13.3
BD0247	4	6	2	55.4	62.1	4.9	2.2	0.02	0.02	10.8
BD0249	1	3	2	52.9	60.7	3.7	3.9	0.02	0.02	12.9
BD0251	3	12	9	58.0	65.7	2.3	1.5	0.01	0.01	11.9
BD0252	6	13	7	57.5	65.4	2.1	2.2	0.01	0.02	12.0
BD0253	1	14	13	55.2	62.8	3.6	3.3	0.02	0.01	12.2
<i>including</i>	5	13	8	58.1	65.8	2.0	2.1	0.01	0.01	11.6
BD0254	0	12	12	55.8	63.2	4.0	3.1	0.02	0.01	11.8
<i>including</i>	3	12	9	57.8	65.6	2.4	1.7	0.02	0.01	11.8
BD0255	0	11	11	55.2	62.8	3.8	3.3	0.02	0.02	12.1
<i>including</i>	3	7	4	58.0	65.6	2.8	1.6	0.01	0.01	11.5
BD0256	8	11	3	58.1	65.1	2.7	2.5	0.01	0.01	10.8

Notes:

- 3). 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)
- 4). Calcined Fe (CaFe) calculated by the formula $CaFe\% = ((Fe\%) / (100 - LOI1000)) * 100$



About BC Iron Limited

BC Iron Limited (ASX: BCI) is an emerging iron ore exploration and development company focused on Western Australia's Pilbara region. BC Iron's 100%-owned Nullagine Project is strategically located directly north east of the Cloud Break operation, part of Fortescue's Chichester Iron Project, and in relative proximity to the open access railway line currently under development by Fortescue between Chichester and Fortescue's dedicated iron ore berths at Port Hedland, 260km to the north west.

BC Iron's initial exploration program covers the Bonnie Creek, Shaw River and Nullagine River palaeochannels, where it has established a combined Exploration Target¹ of 35-75Mt grading 55-58% Fe as the basis for a substantial Direct Shipping Ore (DSO) project. Phase 1 exploration drilling at Shaw River is scheduled for completion by mid-January 2008.

An Inferred Resource estimate for Outcamp Well and Coongan Prospects is expected during the March 2008 Quarter.

The Company has an MOU with Fortescue Metals Group for the provision of bulk transport for its material, including potential Joint Venture or mine gate sale options.

Recently, a capital raising of \$9.18 M was completed through the issue of 5.4 M fully paid ordinary shares to sophisticated and professional investors. Funds raised will be applied to the continuing exploration and development of the Nullagine Project.

Key Statistics

Shares on Issue: 63.7 million (fully diluted)

Board and Management: Tony Kiernan – Chairman
Mike Young – Managing Director
Garth Higgo – Non-Executive Director
Terry Ransted – Non-Executive Director
Steven Chadwick – Non-Executive Director

Major Shareholders: Consolidated Minerals 26%
Alkane Resources 15%

Released by:
Nicholas Read
Read Corporate (incorporating Jan Hope & Partners)
Telephone: +61 (0)8 9388 1474

On behalf of:
Mr Mike Young
Managing Director
BC Iron Limited
Telephone: +61 (0)8 9324 3200

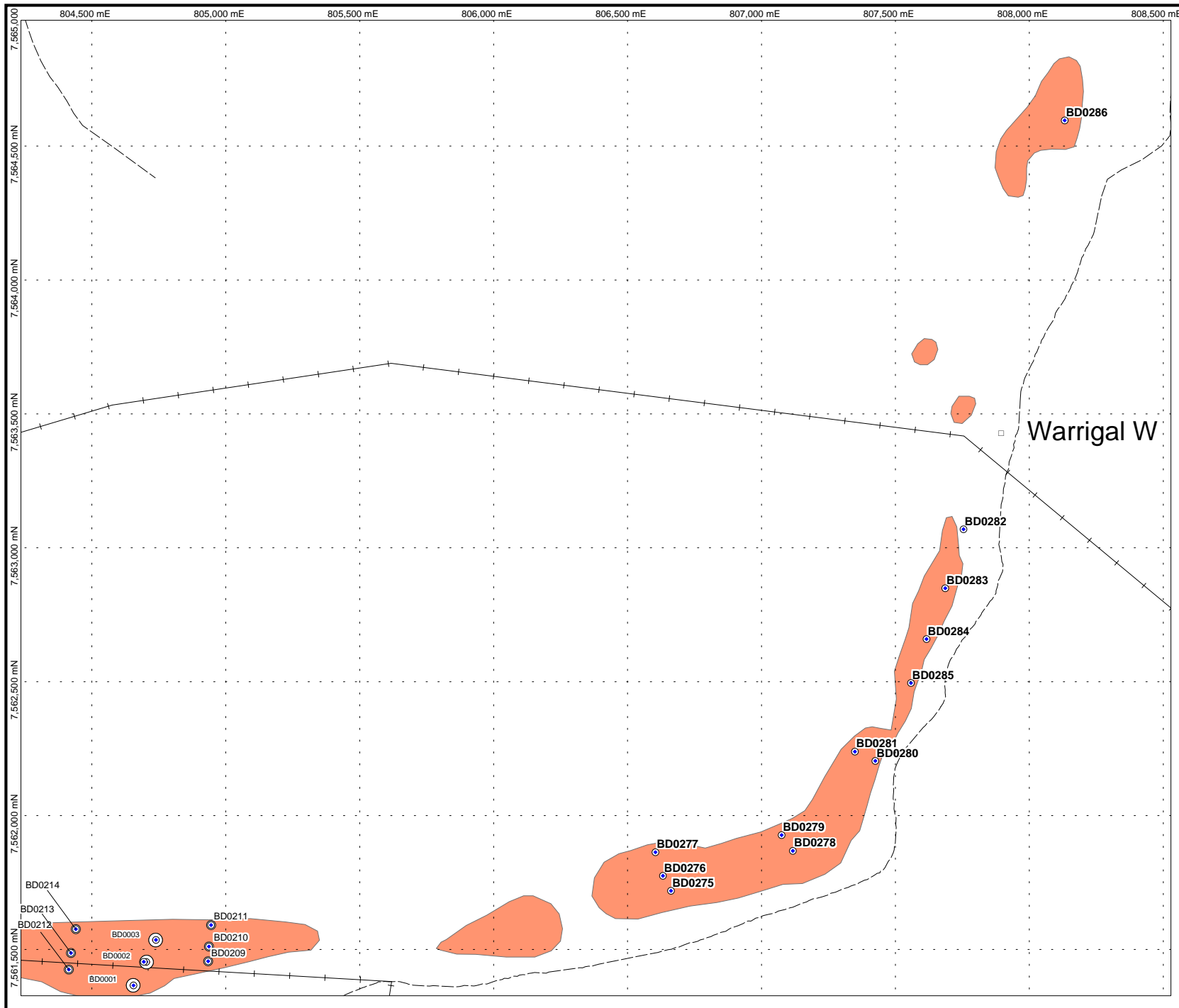


JORC Statement

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.

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.

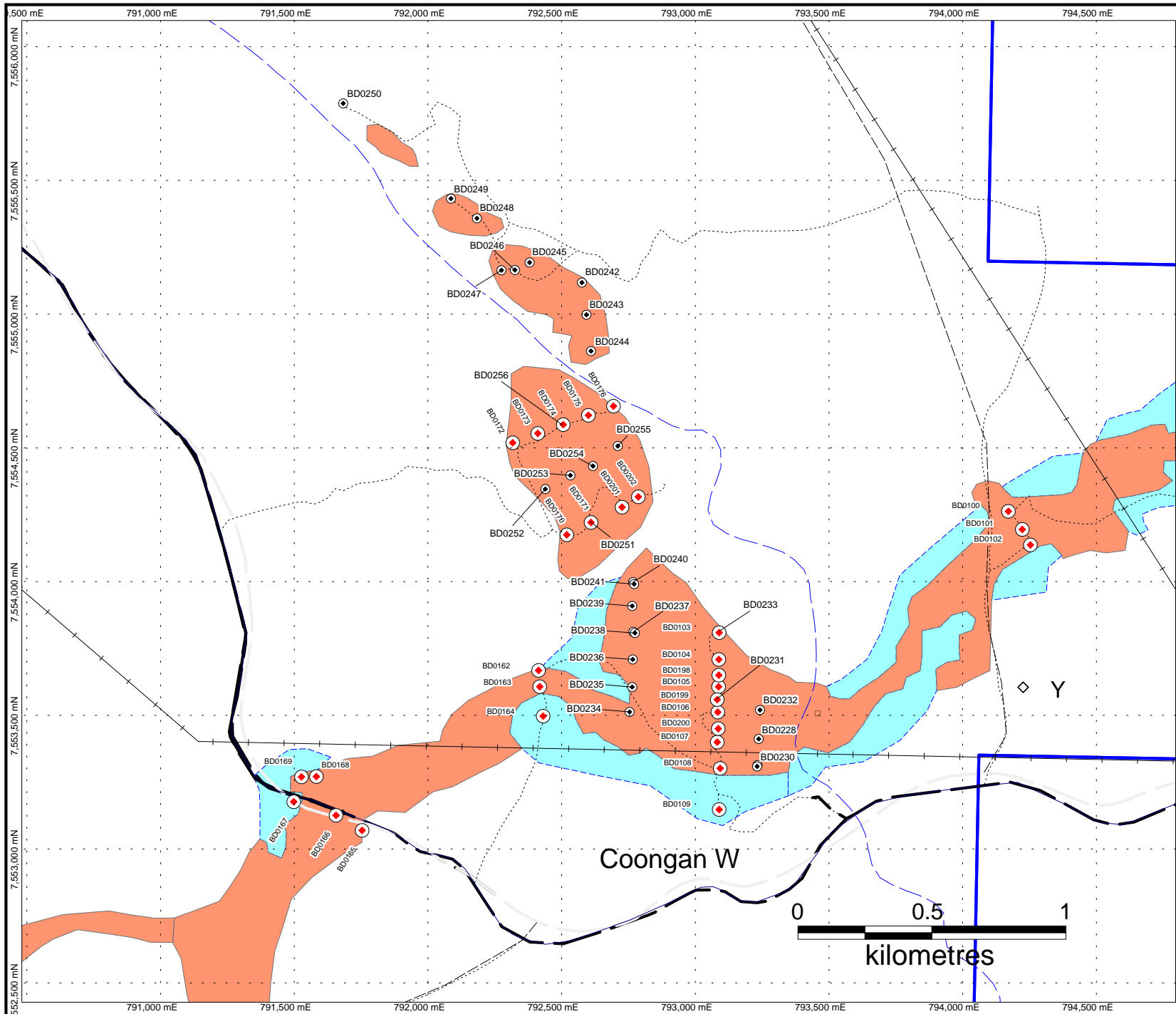
1 - It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or 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







LEGEND

- Mapped CID Outcrop
- Phase I Drill Collar
- ⊙ Phase II Drill Collar

	Nullagine CID Project
Warrigal Well Deposit Drill Collar Locations	
Figure 2	Date: 15/11/07



LEGEND

-  Tenement Boundary
-  Mapped CID Outcrop
-  Phase I Drill Collar
-  Phase II Drill Collar

 Nullagine CID Project

**Coongan
Phase II
Drill Collar Locations**

Figure 3

Date: 07/12/07