



# BC IRON LIMITED

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## INFILL DRILLING COMPLETED AT NULLAGINE IRON ORE PROJECT, WESTERN AUSTRALIA

RESULTS CONTINUE TO CONFIRM HIGH-GRADE, DIRECT SHIPPING QUALITY ORE

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### HIGHLIGHTS

- Reverse Circulation (RC) drilling program completed at Bonnie Creek CID Project
  - Recent results provide further confirmation of Direct Shipping Ore (DSO) quality resources at Outcamp and Coongan Well
  - Significant results received from Outcamp include:
    - 13m @ 58.2% Fe (65.6% CaFe) from surface;
    - 12m @ 57.5% Fe (65.4% CaFe) from 4m; and
    - 10m @ 57.9% Fe (65.9% CaFe) from 7m.
  - Significant results received from Coongan Well include:
    - 12m @ 57.3% Fe (64.9% CaFe) from 6m;
    - 6m @ 59.3% Fe (67.3% CaFe) from 7m; and
    - 21m @ 56.2% Fe (63.7% CaFe) from surface including 14m @ 58.4% Fe.
  - Updated Resource estimate on track for delivery in December Quarter
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BC Iron Limited (ASX: BCI) is pleased to report that it has received further excellent results from the resource infill drilling program at the Company's 100%-owned **Nullagine Iron Ore Project** in Western Australia's Pilbara region.

Assay results have been received from 299 out of a total of 989 holes drilled and represent 25% of the drilling completed at **Outcamp Well** and 80% of the drilling completed at Coongan Well. Assay results are pending from the drilling carried out at **Warrigal Well**, **Bonnie East** and **Dandy Well**.

Reverse Circulation (RC) in-fill drilling has now been completed at **Bonnie Creek East** and **Dandy Well**, which completes the planned drilling for 2008. The areas drilled during this programme are highlighted in Figure 2, while selected intersections from recently received results from the drilling at **Outcamp Well** and **Coongan Well** are presented in Table 2.

The infill drilling programme commenced after BC Iron defined its maiden Inferred Mineral Resource of **28Mt at 57.4% Fe** in March this year, with results to date reinforcing the quality of the Company's key deposits at Nullagine, adding to BC Iron's confidence in the Project as a low-cost high-margin iron ore operation.

The infill programme is summarised in the following table:

**Table 1 – Infill Program Summary**

Area	Spacing	No. Holes	Metres
Coongan Well	100 x 50	197	4,154
Outcamp Well	100 x 50	540	9,049
Warrigal	100 x 50	142	3,326
Bonnie East	200 x 100	60	1,131
Dandy	100 x 50	48	809
<b>TOTAL</b>		<b>989</b>	<b>18,435</b>

Geological modelling of the **Outcamp Well** and **Coongan Well** deposits is currently underway. The regular receipt of assays over the next few months will enable the Company to deliver an updated Mineral Resource during the December Quarter of 2008. The Company remains focused on moving the Bonnie Creek CID Project into production as quickly as possible.

The proposed completion dates for the various elements of the path to production are as follows:

Infill & Resource Extension Drilling	→	September Quarter 2008	✓
Resource Estimates	→	December Quarter 2008	
Geotechnical, Metallurgical Drilling	→	December Quarter 2008	
Bulk Sampling	→	March Quarter 2009	
Feasibility Study	→	First Half 2009	
Mining Agreements	→	Second Half 2009	
Mining Approvals	→	Second Half 2009	
Construction Commences	→	Second Half 2009	
Production Commences	→	First Half 2010	



**- ENDS**

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**On behalf of:**  
**Mr Mike Young**  
**Managing Director**  
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## **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. The Company's 100%-owned Nullagine Project is strategically located north east of the Cloud Break operation, part of Fortescue Metal Group's Chichester Iron Project. The Nullagine Project is proximal to the open access railway line owned by Fortescue between Chichester and Fortescue's dedicated iron ore berths at Port Hedland, 260km to the north west.

Following the completion of a successful Scoping Study, BC Iron has moved quickly into a Feasibility Study to examine a potential start-up operation in 2010 at the Bonnie Creek CID Project (28.0 Mt grading 57.4% Fe) at an initial production rate of 3 Mtpa of DSO (ramping up to 5 Mtpa). The Feasibility Study will focus on these deposits as part of the Company's stated objective of generating rapid cash flows by bringing the Nullagine Project into production as early as possible.

Development drilling has been completed at Outcamp Well and Coongan Well aimed at upgrading the JORC status of the current resource estimate. Drilling was also being carried out at the Warrigal Well, Bonnie Creek East and Dandy Well prospects, where a combined exploration target of 15-30Mt with grades of between 55-58% Fe is being targeted.

The Company has entered into an MOU with Fortescue Metals Group facilitating negotiation over bulk transport for its material, including potential Joint Venture or mine gate sale options.

A capital raising of \$9.18 M was completed in November 2007, 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.

### **Disclaimer & JORC Information**

*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, 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 relating to the terms "iron ore", "exploration target", "direct shipping ore", "conceptual pits" and "upgrade" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004) and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

*The information that relates to exploration targets, exploration results and drilling data 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 Persons 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 of his name in the matters based on their information in the form and context in which it appears.*



**Key Statistics**

**Shares on Issue:** 63.7 million (fully diluted)

**Cash & equivalents:** Circa - \$7.0 M

**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 Ltd 15%

UBS Wealth Management Aus. Nom 8%

**Table 2 – RC Drilling Results, Outcamp Well & Coongan Well**  
**Outcamp**

Hole ID	From	Length	Fe%	CaFe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%	LOI%
BD1026	0	15	55.8	63.6	4.0	1.7	0.012	0.008	12.4
<i>including</i>	0	3	57.1	64.7	4.0	2.0	0.018	0.010	11.6
<i>including</i>	5	9	56.8	64.7	3.2	1.3	0.009	0.008	12.3
BD1027	0	12	56.2	64.3	3.3	1.6	0.011	0.011	12.6
BD1029	0	16	56.8	64.5	3.8	1.5	0.010	0.010	11.9
<i>including</i>	3	9	57.6	65.5	3.2	0.8	0.009	0.008	12.1
<i>including</i>	13	3	58.3	66.3	1.8	1.7	0.009	0.006	12.1
BD1032	5	11	55.2	63.5	3.2	1.9	0.013	0.009	13.1
<i>including</i>	8	7	56.8	65.1	2.3	1.7	0.013	0.010	12.8
BD1041	0	16	56.2	64.1	3.8	1.0	0.011	0.005	12.4
<i>including</i>	4	12	57.5	65.4	3.0	0.8	0.010	0.006	12.1
BD1042	0	13	58.2	65.6	3.0	1.6	0.011	0.004	11.4
BD1045	0	13	55.9	63.9	3.5	1.2	0.009	0.005	12.7
<i>including</i>	5	3	57.2	65.1	3.6	0.7	0.008	0.004	12.1
<i>including</i>	10	3	57.8	65.8	2.0	1.5	0.006	0.002	12.3
BD1050	13	6	57.5	65.6	2.0	1.9	0.012	0.004	12.3
BD1056	6	11	55.6	63.8	2.7	1.7	0.011	0.008	12.9
<i>including</i>	10	6	57.6	65.7	1.8	1.6	0.010	0.009	12.3
BD1059	0	14	55.8	63.8	3.8	1.5	0.011	0.006	12.6
<i>including</i>	6	8	57.1	65.1	3.0	1.5	0.009	0.005	12.3
BD1065	0	11	56.2	63.9	3.5	2.5	0.014	0.010	12.0
<i>including</i>	4	6	57.2	65.1	2.3	2.1	0.012	0.010	12.2
BD1068	0	15	55.2	63.1	4.2	1.4	0.011	0.006	12.5
<i>including</i>	0	3	56.4	63.4	4.7	1.9	0.016	0.008	11.1
<i>including</i>	10	5	56.8	64.8	2.5	1.9	0.008	0.005	12.5
BD1079	11	6	57.4	65.2	2.4	1.7	0.009	0.004	11.9
BD1101	7	6	57.9	66.1	2.2	1.1	0.011	0.004	12.4
BD1103	6	11	55.6	63.8	3.6	2.1	0.014	0.010	12.8
<i>including</i>	8	4	57.7	66.1	2.5	1.2	0.010	0.008	12.7
BD1106	6	8	57.1	65.1	2.4	2.2	0.007	0.001	12.3
BD1110	8	6	56.4	64.4	2.6	2.2	0.011	0.004	12.6
<i>including</i>	11	3	59.3	67.2	1.6	1.2	0.005	0.001	11.7
BD1111	4	10	56.8	64.8	2.7	1.2	0.009	0.004	12.4
<i>including</i>	8	6	58.4	66.2	1.8	1.4	0.007	0.004	11.9
BD1112	4	9	56.3	64.5	2.3	1.4	0.008	0.000	12.8
<i>including</i>	7	6	57.5	65.6	1.9	1.6	0.008	0.000	12.3
BD1113	6	8	57.9	65.7	2.2	1.7	0.007	0.004	11.9

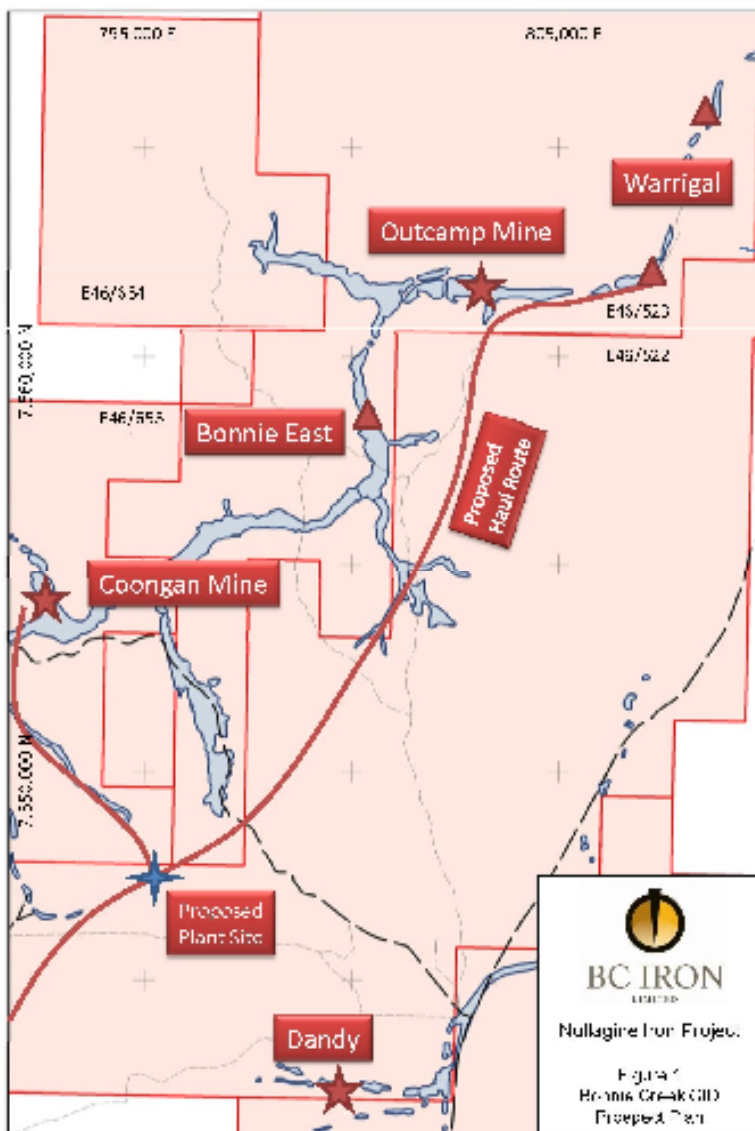
**Coongan Well**

Hole ID	From	Length	Fe%	CaFe%	SiO2%	Al2O3%	P%	S%	LOI%
BD0483	1	9	58.2	66.2	2.2	1.5	0.008	0.007	12.1
BD0485	5	9	57.1	65.2	2.4	2.1	0.011	0.012	12.3
BD0506	10	5	58.6	66.6	1.6	1.1	0.009	0.011	12.0
BD0513	6	8	56.2	64.0	3.0	2.2	0.012	0.023	12.3
<i>including</i>	8	6	58.7	66.6	1.6	1.2	0.011	0.021	11.9
BD0514	4	9	56.4	64.7	2.7	1.6	0.011	0.007	12.8
<i>including</i>	7	6	59.0	67.1	1.8	1.1	0.009	0.007	12.1
BD0515	7	7	57.2	65.4	2.1	1.7	0.01	0.012	12.6
BD0535	10	6	58.0	65.7	2.2	1.3	0.006	0.005	11.8
<i>including</i>	13	3	60.0	67.6	1.3	0.8	0.005	0.003	11.2
BD0539	0	7	57.3	65.0	2.7	1.3	0.012	0.023	11.9
BD0543	8	6	58.1	66.1	2.1	1.2	0.011	0.024	12.2
BD0546	6	9	56.4	64.6	2.1	1.4	0.010	0.009	12.8
BD0547	6	12	57.3	64.9	2.6	1.9	0.010	0.009	11.8
BD0550	3	10	56.8	64.8	3.0	1.7	0.010	0.007	12.4
<i>including</i>	7	6	59.3	67.3	1.9	1.0	0.009	0.005	11.9
BD0557	0	13	56.3	63.8	3.1	2.9	0.014	0.004	11.7
<i>including</i>	4	8	58.3	65.9	1.9	1.5	0.011	0.003	11.5
BD0559	6	12	57.3	64.9	2.6	1.9	0.010	0.009	11.8
BD0560	6	12	55.0	63.1	3.0	2.7	0.014	0.017	12.9
<i>including</i>	9	3	58.2	66.2	1.9	1.3	0.013	0.020	12.2
<i>including</i>	13	3	58.6	66.3	1.6	1.6	0.009	0.008	11.7
BD0562	8	7	57.8	65.6	2.0	1.1	0.009	0.010	12.4
BD0567	0	11	55.6	64.0	2.8	1.6	0.012	0.008	13.0
<i>including</i>	3	8	56.7	65.0	2.4	1.3	0.011	0.008	12.8
BD0585	7	11	57.4	65.3	2.4	1.7	0.014	0.003	12.2
<i>including</i>	8	4	58.1	66.2	1.8	1.3	0.013	0.007	12.2
<i>including</i>	13	4	59.8	67.6	1.4	0.7	0.010	0.000	11.5
BD0616	9	5	58.1	66.2	1.8	1.3	0.013	0.007	12.2
BD0669	0	9	58.3	66.2	2.4	1.7	0.015	0.023	12.0
BD0672	0	21	56.2	63.7	4.1	2.9	0.020	0.018	11.8
<i>including</i>	0	14	58.4	66.2	2.8	1.5	0.013	0.020	11.7
BD0673	0	12	57.1	64.8	3.8	1.7	0.016	0.017	11.8
<i>including</i>	0	7	58.0	65.6	3.5	1.2	0.016	0.014	11.6
BD0680	0	17	56.4	64.5	3.0	2.0	0.016	0.016	12.6
<i>including</i>	0	7	57.5	65.4	3.4	1.5	0.017	0.015	12.1
<i>including</i>	11	5	58.1	66.1	2.3	2.2	0.015	0.015	12.1
BD0681	0	8	57.4	65.3	3.1	1.6	0.017	0.014	12.2
<i>and</i>	12	2	58.5	66.1	3.2	2.0	0.015	0.012	11.5

Notes:

1. Analyses conducted by Genalysis Laboratories using X-Ray Fluorescence Spectrometry with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analyses at 1000°C
2. Calcined Fe (CaFe) calculated by the formula  $CaFe\% = (Fe\% / (100 - LOI1000)) * 100$

**Figure 1 – Bonnie Creek Project showing proposed infrastructure**



**Figure 2 –Map of Bonnie Creek Project showing infill drilling locations and CID outcropping**

