

First Ore on Train – Nullagine Joint Venture

Key Points:

- **Wet commissioning of Fortescue Metals Group train load-out and interim reclaim systems at Christmas Creek commenced with Nullagine Joint Venture Ore;**
- **Nullagine Joint Venture Ore transported via Fortescue Metals Group rail infrastructure to Herb Elliott Port in January 2011;**
- **First Ore on Ship this Quarter and on track for 1Mt by 30 June 2011.**

Australian iron ore development company BC Iron Limited (ASX: BCI) is pleased to announce First Ore on Train for the Nullagine Iron Ore Joint Venture Project (“NIOJV”) (BC Iron 50%: Fortescue Metals Group 50%) in the Pilbara region of Western Australia.

During January, Fortescue Metals Group commenced wet commissioning of the train load-out and interim reclaim systems at Christmas Creek, using NIOJV iron ore. This ore was then transported via Fortescue’s rail infrastructure to the Herb Elliott Port.

This marks a significant event for the Pilbara iron ore industry as ***this is the first time a junior iron ore miner has been able to transport iron ore on a 3rd party’s rail infrastructure in the Pilbara.***

Once adequate stockpiles are created at Fortescue’s Herb Elliott Port, the first shipments of ore will be loaded and exported. We advise that the NIOJV remains on track to have shipped 1 million tonnes of iron ore by 30 June 2011.

Fortescue's Executive Director, Mr. Russell Scrimshaw, said that "The transport of this NIOJV ore along Fortescue's heavy haul railway proves third party access can work on all kinds of infrastructure. We congratulate everyone involved in this historic event."

BC Iron's Managing Director, Mr. Mike Young, commented that, "Fortescue committed to third party access in 2004 and they have delivered on that promise. In forming a Joint Venture with Fortescue, BC Iron has been able to unlock the value of an otherwise stranded asset at a time when iron ore prices are hitting historical highs. Despite early scepticism of the deal, we saw the value of being an iron ore producer much earlier than would have been the case without the partnership with Fortescue. The Board and Management of BC Iron would like to thank all at Fortescue who have been involved in the success of BC Iron, and there are many, starting from four years ago to today's first train."

- ENDS -

FOR FURTHER INFORMATION:

MIKE YOUNG / MORGAN BALL

MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

BC IRON LIMITED

TELEPHONE: +618 6311 3400

RELEASED BY:

DAVID TASKER / JAMES HARRIS

PROFESSIONAL PUBLIC RELATIONS

TELEPHONE : +618 9388 0944

About BC Iron Limited

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of WA. The Company's core asset is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV will use Fortescue's infrastructure at Christmas Creek, 50 km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2010 and first ore on ship is expected in the March Quarter of 2011 - just over four years from listing on the ASX. The Company plans to export 1 Mt by June 2011 at which point BC Iron will be mining at a throughput of 3Mtpa.

Key Statistics

Shares on Issue: 92.5 million

Cash & equivalents: 31 December, 2010 ~\$39.6m

Board and Management:	Tony Kiernan	Chairman & Non-Executive Director
	Mike Young	Managing Director
	Terry Ransted	Non-Executive Director
	Steven Chadwick	Non-Executive Director
	Glenn Baldwin	Non-Executive Director
	Morgan Ball	Chief Financial Officer & Company Secretary
	Blair Duncan	Chief Operating Officer

Major Shareholders: Consolidated Minerals: 21.1%

Regent Pacific Group: 19.9%

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on BC Iron'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, which 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.