

Drill results confirm Direct Shipping Ore at Bonnie East Deposit

HIGHLIGHTS

- Infill drilling confirms Direct Shipping Ore iron mineralisation at Bonnie East
- Updated and improved resource estimate expected in 3rd Quarter, FY12
- Significant Assays include:
 - > 10 metres averaging 57.4% Fe (65% CaFe) from 6.5m
 - > 5.5 metres averaging 59.1% Fe (66.7% CaFe) from 1m
 - > 10 metres averaging 56.8% Fe (65% CaFe) from 3.5m

Australian iron ore producer BC Iron Limited ("BC Iron") (ASX:BCI) advises that its Nullagine Iron Ore Joint Venture ("NJV"), a 50:50 joint venture between BC Iron and Fortescue Metals Group Limited ("Fortescue"), has intersected direct shipping ore ("DSO") iron mineralisation during infill drilling of the Bonnie East Deposit.

Bonnie East is a Channel Iron Deposit, of DSO quality, hosted within the same palaeochannel as that of the Outcamp and Warrigal deposits and is directly south of the Outcamp Mine. The Bonnie East prospect comprises an Inferred Resource of 8.6Mt at 57% Fe. Resource modelling and grade estimation followed by mine planning assessment are currently underway and are expected to be completed in the March 2012 quarter.

Drilling was done on 100m by 50m pattern to infill previous drilling carried out in 2008 and pending the outcome of the resource estimate, is expected to result in an upgrading of the resource category from Inferred. Drilling was carried out using track-mounted reverse circulation rigs with rotary splitters. Sampling and geological logging was done on 0.5m intervals and Genalysis, Perth, carried out analyses. Collar location data and significant assays are presented below.

A successful mining study would extend the mine life of the Nullagine Project as well as improving the project economics. The proximity to the current mill creates an opportunity to optimise the current mine plan before the more distal deposits, such as Coongan and the northern Warrigal mesas, are brought on line.

- ENDS -

FOR FURTHER INFORMATION:

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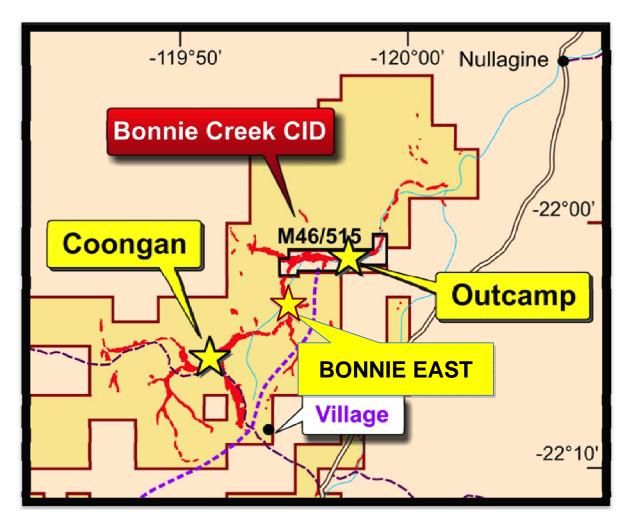


Figure 1: Bonnie East deposit location

Resource Category	Mt	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	S%	Р%	LOI ₁₀₀₀ %
Measured	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-
Inferred	8.6	56.8	64.7	2.08	3.33	0.014	0.010	12.5
Total	8.6	56.8	64.7	2.08	3.33	0.014	0.010	12.5

Table 1: Mineral Resource Estimate for Bonnie East, June 30, 2011

Hole ID	From	То	Length	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	Р%	S%	LOI%
BD2483	No Significa	ant Intercep	ts							
BD2484	No Significa									
BD2485	No Significa									
BD2486	No Significa									
BD2487	No Significa									
BD2487	No Significa									
BD2489	No Significa									
BD2490	No Significa									
BD2490	No Significa									
BD2491 BD2492	No Significa									
BD2492 BD2493	4.5	11.5	7	57.7	65.2	2.5	2.0	0.02	0.01	11.5
BD2493 BD2494	4.3	4	4	55.2	62.5	4.2	4.0	0.02	0.01	11.7
	3.5	7	3.5	58.7	65.8	2.4	1.8	0.02	0.01	10.8
BD2495 BD2496		•		56.7	05.8	2.4	1.0	0.02	0.01	10.8
	No Significa									
BD2497		nt Intercep								
BD2498		nt Intercep								
BD2499	No Significa									
BD2500	No Significa									
BD2501	No Significa									
BD2502	No Significa	•								
BD2503	No Significa									
BD2504	10.5	13	2.5	57.3	62.9	3.4	3.9	0.03	0.02	8.9
BD2505	5.5	11.5	6	57.3	65.0	2.7	1.6	0.02	0.01	11.9
BD2506	5.5	14	8.5	57.3	64.6	2.9	1.9	0.02	0.02	11.3
BD2507	7	8	1	56.4	64.5	3.5	1.0	0.02	0.01	12.5
BD2508	No Significa									
BD2509	No Significant Intercepts									
BD2510	No Significant Intercepts									
BD2511	No Significa									
BD2512		ant Intercep								
BD2513	No Significa	ant Intercep	ts							
BD2514	6	10.5	4.5	56.3	62.9	3.7	3.3	0.02	0.02	10.6
BD2515	6	12	6	56.7	64.0	3.5	2.4	0.02	0.02	11.5
BD2516	7.5	9	1.5	57.7	65.6	2.6	1.3	0.01	0.01	12.0
BD2517	No Significa	ant Intercep								
BD2518	4.5	11	6.5	57.5	65.3	2.7	1.4	0.01	0.01	12.0
BD2519	8	10.5	2.5	58.5	66.3	2.1	1.3	0.02	0.02	11.8
BD2520	5.5	8	2.5	56.0	63.8	3.4	2.5	0.01	0.01	12.2
BD2521	No Significa	ant Intercep	ts							
BD2522	No Significa	ant Intercep	ts							
BD2523	No Significa	nt Intercep	ts							
BD2524	No Significa	nt Intercep	ts							
BD2525	No Significa									
BD2526	No Significa	ant Intercep	ts							
BD2527	No Significa	ant Intercep	ts							
BD2528	4.5	8	3.5	56.0	63.5	4.1	2.8	0.01	0.01	11.8
BD2529	No Significa	ant Intercep	ts							
BD2530	4.5	12	7.5	57.9	65.7	2.7	1.2	0.02	0.02	11.9
BD2531	No Significa	nt Intercep	ts							
BD2532	No Significa									
BD2533	No Significa									
BD2534	No Significa									
BD2535	No Significa									
BD2536		nt Intercep								
BD2537		nt Intercep								
BD2538	5	11	6	54.5	62.3	4.4	2.6	0.01	0.02	12.6
BD2539	7.5	13	5.5	56.6	64.2	3.6	2.2	0.01	0.02	11.7
BD2540	1	10	9	56.7	64.5	3.3	1.5	0.02	0.01	12.2

B022941 Z S.S 3.5 S.6.7 G.4.5 3.3 2.4 0.01 0.01 12.1	Hole ID	From	То	Length	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	Р%	S%	LOI%
B02542 No Significant intercepts	BD2541	2	5.5	3.5	56.7	64.5	3.3	2.4	0.01	0.01	12.1
B02543					30.7	01.5	3.3		0.01	0.01	12.1
B02544											
B02545 0.5			•		57.1	65.0	2.9	1.2	0.01	0.02	12.2
B02546											
B02546 9.5 10.5 1 56.2 63.6 3.5 3.5 0.01 0.01 11.6											
B02547		_									
B02549 No Significant Intercepts											
B02550 No Significant intercepts			_		30.7	30.7	3.3	3.3	0.01	0.01	15.0
B02555 No Significant intercepts											
B02551 No Significant intercepts											
BIO2552											
B02553											
B02554					54.3	62.1	5.0	2.2	0.01	0.01	12.5
BD2554 11.5											
B02555 6.5 16.5 10 57.4 65.0 3.0 2.3 0.01 0.01 11.7 B02556 6.5 15.5 9 55.4 62.7 5.1 3.0 0.02 0.01 11.6 B02557 6 10.5 4.5 58.8 66.7 2.0 1.0 0.01 0.02 11.9 B02558 No Significant Intercepts			_								
B02556 6.5 15.5 9 55.4 62.7 5.1 3.0 0.02 0.01 11.6 B02557 6 10.5 4.5 58.8 66.7 2.0 1.0 0.01 0.02 11.9 B02558 No Significant Intercepts											
BD2557 G 10.5											
BD2558 No Significant Intercepts											
BD2559 No Significant Intercepts					30.0	00.7			0.01	0.02	
BD2560 No Significant Intercepts BD2561 No Significant Intercepts BD2562 No Significant Intercepts BD2563 13 14.5 12.5 49.4 56.3 8.7 6.0 0.02 0.02 12.3 BD2563 13 14.5 1.5 55.5 63.7 3.2 1.6 0.01 0.01 13.0 BD2563 16.5 18 1.5 56.4 64.0 3.2 2.7 0.01 0.01 11.9 BD2564 No Significant Intercepts BD2566 No Significant Intercepts BD2566 No Significant Intercepts BD2567 6.5 12.5 6 52.8 60.5 5.6 3.2 0.02 0.01 12.7 BD2567 6.5 12.5 6 52.8 60.5 5.6 3.2 0.01 0.01 12.1 BD2568 8 10 2 56.7 64.6 3.0 2.6 0.03 0.01 12.2 BD2568 12 17 5 57.7 65.4 2.7 1.9 0.01 0.01 11.8 BD2569 11.5 14.5 3 58.2 66.0 2.2 1.9 0.01 0.01 11.8 BD2570 6.5 9 2.5 51.4 58.9 6.7 4.3 0.02 0.01 12.8 BD2571 3 5.5 2.5 55.5 63.0 4.6 1.9 0.02 0.01 12.3 BD2573 6 13 7 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2573 6 13 7 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2575 No Significant Intercepts BD2577 No Significant Intercepts BD2578 9 12 3 52.5 66.2 5.5 3.9 0.02 0.01 12.3 BD2579 3.5 13 9.5 56.4 64.4 2.9 1.9 0.01 0.01 12.5 BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.3 BD2579 No Significant Intercepts BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.3 BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 2.0 0.01 0.01 12.3 BD2581 13 15.5 2.5 56.3 63.3 3.6 3.3 0.02 0.01 12.3 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.3 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.3 BD2584 No Significant Intercepts BD2585 0.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 0.01 12.4 BD2588 No Significant Intercepts BD2589 No Significant Intercepts BD2589 No Significant Intercepts BD2580 No Significant Intercepts BD2											
BD2562 No Significant Intercepts BD2562 2 14.5 12.5 49.4 56.3 8.7 6.0 0.02 0.02 12.3 BD2563 13 14.5 1.5 55.5 63.7 3.2 1.6 0.01 0.01 13.0 BD2564 10 18.5 8.5 54.7 62.2 4.8 3.2 0.02 0.01 12.0 BD2565 No Significant Intercepts BD2566 No Significant Intercepts BD2567 No Significant Intercepts BD2567 16 18 2 56.3 64.0 2.8 3.2 0.02 0.01 12.7 BD2567 16 18 2 56.3 64.0 2.8 3.2 0.01 0.01 11.7 BD2568 8 10 2 56.7 64.6 3.0 2.6 0.03 0.01 12.1 BD2569 11.5 14.5 3 58.2 66.0 2.2 1.9 0.01 0.01 11.8 BD2570 6.5 9 2.5 51.4 58.9 6.7 4.3 0.02 0.01 12.8 BD2571 3 5.5 2.5 55.5 63.0 4.6 1.9 0.02 0.01 11.8 BD2572 2.5 12 9.5 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2573 2.5 3.5 1 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2574 8.5 13.5 5 56.9 64.6 3.2 2.6 0.02 0.01 12.3 BD2575 No Significant Intercepts BD2576 No Significant Intercepts BD2577 No Significant Intercepts BD2577 No Significant Intercepts BD2577 No Significant Intercepts BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.3 BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.3 BD2579 No Significant Intercepts BD2576 No Significant Intercepts BD2577 No Significant Intercepts BD2578 No Significant Intercepts BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.4 BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.4 BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 12.4 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.4 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 6.4 0.02 0.03 10.6 BD2585 No Significant Intercepts BD2588 No Significant Intercepts BD2588 No Significant Intercepts BD258											
BD2562											
BD2563					49.4	56.3	8.7	6.0	0.02	0.02	12.3
BD2563		13	_								
BD2564											
BD2565 No Significant Intercepts BD2566 No Significant Intercepts BD2567 6.5 12.5 6 52.8 60.5 5.6 3.2 0.02 0.01 12.7											
BD2566 No Significant Intercepts BD2567 6.5 12.5 6 52.8 60.5 5.6 3.2 0.02 0.01 12.7 BD2567 16 18 2 56.3 64.0 2.8 3.2 0.01 0.01 12.1 BD2568 8 10 2 56.7 64.6 3.0 2.6 0.03 0.01 12.2 BD2568 12 17 5 57.7 65.4 2.7 1.9 0.01 0.01 11.7 BD2569 11.5 14.5 3 58.2 66.0 2.2 1.9 0.01 0.01 11.8 BD2570 6.5 9 2.5 51.4 58.9 6.7 4.3 0.02 0.01 12.8 BD2571 3 5.5 2.5 55.5 63.0 4.6 1.9 0.02 0.01 11.9 BD2572 2.5 12 9.5 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2573 2.5 3.5 1 56.6 64.5 2.6 1.5 0.02 0.01 12.3 BD2573 6 13 7 56.4 64.4 2.9 1.9 0.01 0.01 12.5 BD2574 8.5 13.5 5 56.9 64.6 3.2 2.6 0.02 0.01 11.9 BD2575 No Significant Intercepts						-					_
BD2567	BD2566										
BD2567					52.8	60.5	5.6	3.2	0.02	0.01	12.7
BD2568	BD2567	16	18		56.3	64.0	2.8	3.2	0.01	0.01	12.1
BD2568		8	10		56.7	64.6	3.0	2.6	0.03	0.01	12.2
BD2569		12	17		57.7	65.4	2.7	1.9	0.01	0.01	11.7
BD2570 6.5 9 2.5 51.4 58.9 6.7 4.3 0.02 0.01 12.8 BD2571 3 5.5 2.5 55.5 63.0 4.6 1.9 0.02 0.01 11.9 BD2572 2.5 12 9.5 56.6 64.5 3.1 1.9 0.02 0.01 12.3 BD2573 2.5 3.5 1 56.6 64.5 2.6 1.5 0.02 0.01 12.3 BD2573 6 13 7 56.4 64.4 2.9 1.9 0.01 0.01 12.5 BD2574 8.5 13.5 5 56.9 64.6 3.2 2.6 0.02 0.01 11.9 BD2576 No Significant Intercepts 8 8 9 12 3 52.5 60.2 5.5 3.9 0.02 0.01 12.7 BD2577 No Significant Intercepts 8 9 12 3 52.5	BD2569	11.5	14.5	3		66.0	2.2	1.9	0.01	0.01	11.8
BD2571 3 5.5 2.5 55.5 63.0 4.6 1.9 0.02 0.01 11.9	BD2570	6.5	9	2.5	51.4		6.7	4.3	0.02	0.01	12.8
BD2573 2.5 3.5 1 56.6 64.5 2.6 1.5 0.02 0.01 12.3	BD2571	3	5.5		55.5	63.0	4.6	1.9	0.02	0.01	11.9
BD2573 6	BD2572	2.5	12	9.5	56.6	64.5	3.1	1.9	0.02	0.01	12.3
BD2574 B.5	BD2573	2.5	3.5	1	56.6	64.5	2.6	1.5	0.02	0.01	12.3
BD2574 B.5									0.01	0.01	12.5
BD2576 No Significant Intercepts BD2577 No Significant Intercepts BD2578 9 12 3 52.5 60.2 5.5 3.9 0.02 0.01 12.7 BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.1 BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.3 BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 11.7 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 11.7 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 6.5 11 4.5 <	BD2574	8.5	13.5	5	56.9	64.6	3.2	2.6	0.02	0.01	11.9
BD2577 No Significant Intercepts BD2578 9 12 3 52.5 60.2 5.5 3.9 0.02 0.01 12.7	BD2575	No Significa	ant Intercep	ts							
BD2578 9 12 3 52.5 60.2 5.5 3.9 0.02 0.01 12.7 BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.1 BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.3 BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 11.7 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.2 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.02 12.0	BD2576	No Significa	ant Intercep	ts							
BD2579 3.5 13 9.5 56.4 64.2 3.3 2.6 0.02 0.01 12.1 BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.3 BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 11.7 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.2 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2586 No Significant Intercepts 8 8 6.4 0.02 0.02 12.0 BD2587 <t< td=""><td>BD2577</td><td>No Significa</td><td>nt Intercep</td><td>ts</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	BD2577	No Significa	nt Intercep	ts							
BD2580 4.5 7 2.5 57.2 65.2 2.2 2.2 0.01 0.01 12.3 BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 11.7 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.2 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 0.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 8 8 8 8 8 8 8 8	BD2578	9	12	3	52.5	60.2	5.5	3.9	0.02	0.01	12.7
BD2581 13 15.5 2.5 56.3 63.7 3.6 3.4 0.01 0.01 11.7 BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.2 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts BD2580 No Significant Intercept	BD2579	3.5	13	9.5	56.4	64.2	3.3	2.6	0.02	0.01	12.1
BD2582 13 18 5 55.6 63.3 3.6 3.3 0.02 0.01 12.2 BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 No Significant Intercepts 8 8 8 8 9 <	BD2580	4.5	7	2.5	57.2	65.2	2.2	2.2	0.01	0.01	12.3
BD2583 6 13 7 55.4 63.2 3.9 2.8 0.02 0.01 12.4 BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 </td <td>BD2581</td> <td colspan="3"></td> <td>56.3</td> <td>63.7</td> <td>3.6</td> <td>3.4</td> <td>0.01</td> <td>0.01</td> <td>11.7</td>	BD2581				56.3	63.7	3.6	3.4	0.01	0.01	11.7
BD2584 1 6.5 5.5 51.4 58.4 7.5 5.6 0.02 0.01 11.9 BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 8 8 8 8 8 8 8 9	BD2582				55.6	63.3	3.6	3.3	0.02	0.01	12.2
BD2585 2.5 3.5 1 55.4 61.9 5.3 4.1 0.02 0.03 10.6 BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 9 8 9 8 9 8 <td>BD2583</td> <td colspan="3"></td> <td>55.4</td> <td>63.2</td> <td>3.9</td> <td>2.8</td> <td>0.02</td> <td>0.01</td> <td>12.4</td>	BD2583				55.4	63.2	3.9	2.8	0.02	0.01	12.4
BD2585 6.5 11 4.5 50.2 57.1 8.5 6.4 0.02 0.02 12.0 BD2586 No Significant Intercepts 8 8 8 8 9	BD2584				51.4		7.5	5.6	0.02	0.01	11.9
BD2586 No Significant Intercepts BD2587 No Significant Intercepts BD2588 No Significant Intercepts BD2589 No Significant Intercepts BD2590 No Significant Intercepts	BD2585				55.4	61.9	5.3	4.1	0.02	0.03	10.6
BD2587 No Significant Intercepts BD2588 No Significant Intercepts BD2589 No Significant Intercepts BD2590 No Significant Intercepts	BD2585				50.2	57.1	8.5	6.4	0.02	0.02	12.0
BD2588 No Significant Intercepts BD2589 No Significant Intercepts BD2590 No Significant Intercepts	BD2586	No Significa	ant Intercep	ts				_	_		
BD2589 No Significant Intercepts BD2590 No Significant Intercepts	BD2587	No Significa	nt Intercep	ts							
BD2590 No Significant Intercepts	BD2588	No Significa	nt Intercep	ts							
	BD2589	ï									
BD2591 No Significant Intercepts	BD2590	No Significa	ant Intercep	ts							
	BD2591	No Significa	ant Intercep	ts							

Table 2: Intersection Summary

Hole ID	From	То	Length	Fe%	CaFe%	SiO ₂ %	Al ₂ O ₃ %	Р%	S%	LOI%
BD2593	11	14	3	51.8	59.4	6.0	4.6	0.02	0.01	12.8
BD2594	3.5	13.5	10	56.8	64.8	2.3	2.0	0.02	0.01	12.4
BD2595	2.5	9.5	7	57.5	65.2	2.3	1.9	0.01	0.01	11.9
BD2596	1.5	7.5	6	58.3	66.1	2.0	1.9	0.01	0.01	11.8
BD2597	1	5.5	4.5	56.0	63.4	4.0	3.3	0.01	0.01	11.6
BD2598	3	7.5	4.5	53.5	61.6	3.7	3.8	0.02	0.01	13.2
BD2599	No Significa	nt Intercep	ts							
BD2600	No Significa	nt Intercep	ts							
BD2601	4 7 3			58.8	66.6	2.3	0.9	0.02	0.01	11.7
BD2602	No Significant Intercepts									
BD2603	No Significa	nt Intercep	ts		·	·				

Notes:

Assays were done by Genalysis Laboratories, Perth.

Cut off for significance is 55% Fe

CaFe% (Calcined Iron) is calculated using the formulae: ((Fe%)/(100-LOI))*100

Analysis by XRF with LOI determined using Thermo-Gravimetric Analyses at 450°C, 650°C and 1000°C – shown assay is LOI @ 1000°C

Table 3: Drill Collar Locations

Hole ID	East	North	RL	Depth
BD2483	800322	7560201	464	9.5
BD2484	800272	7560200	464	8.5
BD2485	800225	7560197	467	4
BD2486	800043	7560096	478	7.5
BD2487	800097	7560096	471	8
BD2488	800148	7560099	476	12
BD2489	800197	7560098	470	6.5
BD2490	800249	7560097	469	6
BD2491	800299	7560097	476	9.5
BD2492	800349	7560100	476	14
BD2493	800398	7560102	474	13.5
BD2494	800367	7559998	471	8
BD2495	800325	7560002	473	11
BD2496	800222	7560001	474	8
BD2497	800125	7560001	476	10
BD2498	800075	7560000	479	5.5
BD2499	800024	7559998	483	7
BD2500	799997	7559900	481	15.5
BD2501	800045	7559903	479	11.5
BD2502	800099	7559899	479	8.5
BD2503	800149	7559899	480	12
BD2504	800250	7559899	478	14.5
BD2505	800301	7559899	476	13.5
BD2506	800226	7559800	478	15
BD2507	800273	7559799	476	12
BD2508	800125	7559799	478	12
BD2509	800073	7559799	479	6
BD2510	800027	7559798	481	12.5
BD2511	800000	7559697	480	14.5
BD2512	800051	7559693	478	11
BD2513	800099	7559698	481	14
BD2514	800151	7559698	479	14
BD2515	800201	7559698	478	15
BD2516	800253	7559699	477	14.5
BD2517	800274	7559599	475	12
BD2518	800223	7559600	479	14.5
BD2519	800173	7559600	480	15
BD2520	800123	7559600	481	12
BD2521	800076	7559599	477	7
BD2522	800022	7559601	476	6
BD2523	800000	7559502	478	12
BD2524	800050	7559501	475	9.5
BD2525	800101	7559500	473	6
BD2526	800152	7559500	473	6
BD2527	800200	7559498	473	6
BD2528	800251	7559500	476	11
BD2529	800301	7559498	470	6
BD2530	800225	7559397	479	16
BD2531	800176	7559400	481	14

Table 3: Drill Collar Locations

Hole ID	East	North	RL	Depth
BD2532	800126	7559401	480	12.5
BD2533	800071	7559402	475	6.5
BD2534	800026	7559402	476	11
BD2535	799998	7559300	479	5.5
BD2536	800047	7559301	478	9.5
BD2537	800099	7559301	482	13
BD2538	800147	7559300	481	14
BD2539	800200	7559299	479	15
BD2540	800250	7559297	476	15
BD2541	800300	7559301	473	9.5
BD2542	800424	7559201	470	6
BD2543	800377	7559205	470	6
BD2544	800326	7559203	477	12
BD2545	800275	7559201	472	10.5
BD2546	800222	7559202	472	12
BD2547	800174	7559202	475	9.5
BD2548	800075	7559202	476	5.5
BD2549	800027	7559202	477	9
BD2550	799998	7559101	474	6
BD2551	800052	7559098	474	6
BD2552	800099	7559102	474	6
BD2553	800147	7559104	478	12
BD2554	800200	7559104	480	19
BD2555	800250	7559101	478	17.5
BD2556	800299	7559102	478	17
BD2557	800349	7559102	478	14
BD2558	800402	7559104	475	6
BD2559	800449	7559105	471	6
BD2560	800424	7559003	476	9
BD2561	800473	7559000	469	6
BD2562	800375	7559001	478	16.5
BD2563	800274	7559001	480	19
BD2564	800222	7558999	481	21
BD2565	800163	7559013	480	13
BD2566	800071	7559021	477	9
BD2567	800204	7558899	481	19.5
BD2568	800251	7558900	480	18.5
BD2569	800303	7558905	478	16.5
BD2570	800350	7558899	478	14
BD2571	800401	7558898	477	13
BD2572	800373	7558798	475	14
BD2573	800324	7558797	475	15.5
BD2574	800273	7558799	476	15
BD2575	800171	7558801	476	8.5
BD2576	800204	7558701	469	6
BD2577	800248	7558705	469	6
BD2578	800298	7558731	475	14.5
BD2579	800399	7558699	476	15.5
BD2580	800351	7558703	469	8.5

Table 3: Drill Collar Locations

Hole ID	East	North	RL	Depth
BD2581	800374	7558597	479	17.5
BD2582	800397	7558500	481	19.5
BD2583	800449	7558498	477	15
BD2584	800495	7558497	471	8
BD2585	800347	7558497	478	13.5
BD2586	800297	7558499	476	8
BD2587	800248	7558500	471	6
BD2588	800200	7558495	470	6
BD2589	800274	7558597	469	6
BD2590	800221	7558402	471	4
BD2591	800276	7558404	475	8
BD2592	800325	7558400	480	12
BD2593	800374	7558401	481	17
BD2594	800422	7558401	477	15
BD2595	800476	7558401	474	12
BD2596	800525	7558403	472	9
BD2597	800576	7558399	471	8.5
BD2598	800550	7558498	475	9.5
BD2599	800598	7558499	478	6
BD2600	800571	7558602	477	6
BD2601	800522	7558600	476	11.5
BD2602	800553	7558701	480	10.5
BD2603	800476	7558802	474	7.5

Notes:

All co-ordinates in GDA90, Zone 50

All holes vertical; depths are true thickness of the orebody All holes sampled at 0.5m intervals



About BC Iron Limited

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of Western Australia. The Company's core focus is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV uses Fortescue's infrastructure at Christmas Creek, 50km south of the Mine, to rail its ore to Port Hedland from where it is shipped directly to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX.

The JV is currently operating at a production rate of 3Mtpa moving to 5Mtpa during H1 CY2012

Key Statistics

Shares on Issue: 95.3 million

Cash & equivalents: 31 December 2011 ~\$35.6m

Board and Management: Tony Kiernan Chairman & Non-Executive Director

Mike Young Managing Director

Morgan Ball Finance Director

Terry Ransted Non-Executive Director

Andy Haslam Non-Executive Director

Malcolm McComas Non-Executive Director

Linda Edge Company Secretary

Major Shareholders: Consolidated Minerals: 24.8%

Regent Pacific Group: 22.3%

Website: www.bciron.com.au

JORC Competent Persons Statement

The information that relates to the Mineral Resource Estimate at Outcamp, Warrigal, and Coongan has been compiled by Mr Richard Gaze who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates, and Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron. The resources were first reported on the ASX on 2 April 2009. The Outcamp resource estimate has been depleted by BC Iron to account for mining which commenced in November 2010. Both Mr Young and Mr Gaze have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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 Gaze and Mr Young consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.

The information that relates to the Mineral Resource Estimate at Bonnie East, Dandy and Shaw River has been compiled by Mr Mike Young who is a Member of the Australian Institute of Geoscientists and an employee of BC Iron. The Bonnie East resources were first reported on the ASX on 2 April 2009, the Shaw River resources were first reported on the ASX on 30 July 2010 and the Dandy resources were first reported on the ASX on 20 September 2011. Mr Young has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 of his name in the matters based on their information in the form and context in which it appears.

The information that relates to the Ore Reserve has been compiled by Mr Blair Duncan who is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Duncan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Duncan consents to the inclusion of his name in the matters based on his information in the form and context in which it appears.

Mineral Resources and Ore Reserves as at 30 June 2011

Notes to the resource and reserves:

- The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.
- DSO (Direct Shipping Ore) is a subset of the CID (Channel Iron Deposit)
- Calcined Fe (CaFe) = Fe / (100-LOI) * 10
- LOI measured at 1000°C
- The CID Mineral Resource is reported using a 45% cut-off grade
- The DSO Mineral Resource is reported using cut-off grades between 53% and 56% Fe. The cut off grades were selected to achieve a 57% Fe specification grade.

Ore Reserve Estimate by Deposit – NJV (BC Iron 50%, Fortescue 50%)

Deposit		Probable Ore Reserves by Deposit										
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀				
Outcamp	18.3	56.8	64.7	1.92	3.17	0.014	0.010	12.2				
Coongan	6.0	57.0	65.0	1.84	2.54	0.011	0.012	12.4				
Warrigal	10.4	57.0	64.6	2.14	3.68	0.022	0.013	11.7				
Total	34.7	56.9	64.7	1.97	3.21	0.016	0.011	12.1				

Combined Mineral Resource Estimate for 57% Fe DSO by Deposit - NJV (BC Iron 50%, Fortescue 50%)

Deposit	DSO Mineral Resources by Deposit									
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	Р%	S%	LOI ₁₀₀₀		
Outcamp	19.5	56.9	64.8	2.03	3.07	0.014	0.010	12.1		
Warrigal	14.4	57.0	64.5	2.29	3.64	0.023	0.013	11.6		
Coongan	7.6	57.0	65.1	1.87	2.47	0.011	0.012	12.4		
Bonnie East	8.6	56.8	64.7	3.33	2.08	0.014	0.009	12.2		
Shaw River: Gap 11	2.8	57.1	63.4	2.88	4.79	0.021	0.029	10.1		
Total DSO	52.9	57.0	64.7	2.33	3.07	0.016	0.012	11.9		

Combined CID Mineral Resource Estimate for by Deposit - NJV (BC Iron 50%, Fortescue 50%)

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			CIE	Mineral Reso	urces by Depo	sit		
Deposit	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀
Outcamp	37.9	53.8	61.8	2.83	4.44	0.015	0.010	12.9
Warrigal	23.4	54.5	62.0	3.46	4.73	0.024	0.013	12.0
Coongan	12.8	53.4	61.5	3.24	4.23	0.013	0.013	13.1
Bonnie East	12.6	55.0	62.9	4.17	2.72	0.016	0.010	12.5
Dandy	2.1	53.7	60.2	6.01	5.28	0.023	0.020	10.8
Shaw River	14.0	54.4	61.2	5.12	4.36	0.021	0.027	11.2
Total CID	102.9	54.1	61.8	3.57	4.28	0.018	0.014	12.4

Combined Mineral Resource Estimate for 57% Fe by Classification – NJV (BC Iron 50%, Fortescue 50%)

Classification	DSO Mineral Resources by Classification									
	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	Р%	S%	LOI ₁₀₀₀		
Measured	1.4	56.9	64.7	2.23	3.36	0.019	0.016	12.1		
Indicated	38.0	57.0	64.8	2.09	3.14	0.016	0.011	12.0		
Inferred	13.5	56.9	64.4	3.03	2.85	0.017	0.014	11.7		
Total DSO	52.9	57.0	64.7	2.33	3.07	0.016	0.012	11.9		

Combined CID Mineral Resource Estimate by Classification - NJV (BC Iron 50%, Fortescue 50%)

Classification		CID Mineral Resources by Classification									
Ciassification	Mt	Fe%	CaFe%	Al ₂ O ₃ %	SiO ₂ %	P%	S%	LOI ₁₀₀₀			
Measured	1.8	54.1	61.6	3.98	5.08	0.020	0.018	12.3			
Indicated	68.1	53.9	61.8	3.09	4.48	0.017	0.011	12.7			
Inferred	32.9	54.5	61.8	4.58	3.86	0.019	0.018	11.9			
Total CID	102.9	54.1	61.8	3.58	4.29	0.018	0.014	12.4			