

SHARE PURCHASE PLAN UPDATE & REGENT PACIFIC GROUP DISPOSAL OF BCI SHARES

SHARE PURCHASE PLAN UPDATE

BC Iron Limited (“**Company**”) (**ASX: BCI**) is pleased to advise that the Company’s \$10 million Share Purchase Plan (“**Plan**”) which closed on 16 January 2013, has been oversubscribed by approximately \$3m.

As a result of the oversubscription, applications will be subject to scale back in accordance with the terms and conditions of the Plan.

The Company will provide final details when the new shares are allotted on or about 24 January 2013.

REGENT PACIFIC GROUP DISPOSAL OF BCI SHARES

The Company has been advised that Regent Pacific Group has disposed of 24,002,698 shares in BC Iron Limited (20.1%) to a range of domestic long only funds by way of a book build completed on Tuesday evening 16 January 2013.

- ENDS -

FOR FURTHER INFORMATION:

TONY KIERNAN

CHAIRMAN

BC IRON LIMITED

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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, an unincorporated 75:25 joint venture with Fortescue Metals Group Limited. The NJV uses Fortescue's infrastructure at Christmas Creek, 50km south of the Nullagine mine, to rail its ore to Port Hedland from where it is shipped directly to customers overseas.

BC Iron has had outstanding success since listing in December 2006. Iron ore exports commenced in February 2011 and since then, the NJV has exported approximately 6.1Mt of iron ore. As of May 2012, the NJV has been operating at a production rate of 5Mtpa and is expected to reach a nameplate production rate of 6Mtpa during Q4 FY2013.

In August 2012, BC Iron entered into an Iron Ore Strategic Alliance with Cleveland Mining to acquire and co-develop new iron ore projects in Brazil. Under the terms of this 50:50 Joint Venture, BC Iron acquired a 5% equity stake in Cleveland Mining.

The Company is now set to move into the next phase of development through measured consideration of business development opportunities.

Key Statistics

Shares on issue prior to the SPP: 119.4 million

Cash & equivalents:

30 September 2012 ~\$81m

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

Website: www.bcion.com.au