

BC IRON DECLARES 5 CENTS PER SHARE FULLY FRANKED INTERIM DIVIDEND

The Board of BC Iron Limited (“**BC Iron**”) (ASX: BCI) is pleased to announce that it has resolved to pay an interim dividend on ordinary shares for the half year ended 31 December 2012.

The total amount of the interim dividend is ~\$6.1 million which represents a fully franked interim dividend of 5.0 cents per share. This equates to a Dividend Payout ratio on underlying net profit of approximately 45%.

Important dates with respect to the interim dividend are:

Ex-dividend date	4 March 2013 (date shares begin trading ex-dividend)
Record date	8 March 2013 (holders of shares at this date are eligible to receive the dividend)
Payment date	22 March 2013

Payment of Dividends

In order to facilitate the payment of this and future dividends, BC Iron encourages its shareholders to contact our share registry, Computershare Investor Services Pty Limited (“**Computershare**”) and provide direct credit details for your nominated bank account.

The direct credit payment method provides a number of benefits to shareholders. There will be no delay in waiting for a cheque to be delivered in the mail – your funds should be deposited on the date of payment of the dividend and will be cleared and available for your immediate use. As well as enhanced convenience for shareholders, direct credit dividend payments also minimise the potential for fraud and reduce the processing costs for BC Iron.

If you have any queries regarding the above information or your shareholding in general, please contact Computershare at:

Computershare Investor Services:

Phone: Australia: 1300 850 505 International: +61 3 9415 4000

Mail: GPO Box 2975
MELBOURNE VIC 3001

Internet: www.computershare.com; or
www.investorcentre.com/contact

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FOR FURTHER INFORMATION:

LINDA EDGE

COMPANY SECRETARY

BC IRON LIMITED

TELEPHONE: +61 8 6311 3400

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 FY13.

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:	122.7 million	
Cash & equivalents:	31 December 2012	\$58.3M
Board:	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	23.2%
	Henghou Industries	8.4%
	Ausbil Dexia Ltd	5.5%
	Tribeca Investment Partners Pty Ltd	5.1%

Website: www.bcion.com.au