



BC IRON DECLARES 17 CENTS PER SHARE INTERIM DIVIDEND AND PROVIDES GUIDANCE ON FUTURE DIVIDENDS

HIGHLIGHTS

- **Declares 17 cents per share fully franked interim dividend, representing a payout ratio of 30% on NPAT**
- **Targets an overall annual payout ratio of 30% to 50% on NPAT for future dividends**

The Board of BC Iron Limited (“BC Iron” or the “Company”) (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 2013.

The interim dividend is 17 cents per share, fully franked. This equates to a total amount of \$21.1 million, which represents a dividend payout ratio of 30% on net profit after tax (“NPAT”) for the half-year.

Important dates with respect to the interim dividend are:

Ex-dividend date	Monday 3 March 2014 (date shares begin trading ex-dividend)
Record date	Friday 7 March 2014
Payment date	Tuesday 25 March 2014

Dividend Guidance

The Board of BC Iron is also pleased to provide guidance in relation to future dividends. The Company intends to declare an interim and final dividend each financial year, targeting an overall annual payout ratio of 30% to 50% on NPAT. Dividends will be franked to the maximum extent possible, but BC Iron will also consider partially franked or unfranked dividends if sufficient franking credits are not available.

The declaration and payment of dividends remains at the discretion of the Board, and actual dividends may vary from the annual target based on the Company’s financial performance, current and future cash requirements, growth prospects and other factors deemed relevant by the Board.

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 processing costs for BC Iron.

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

Phone: Australia: 1300 850 505
International: +61 3 9415 4000
Mail: GPO Box 2975
MELBOURNE VIC 3001
Internet: www.investorcentre.com/contact

For security reasons, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) when communicating with the share registry.

- ENDS -

FOR FURTHER INFORMATION:

**ANTHEA BIRD
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 April 2013, the NJV has been operating at a nameplate production rate of 6Mtpa. BC Iron was added to the S&P/ASX 200 Index in December 2013.

The Company's key focus moving forward is on total shareholder return, continued strong operational performance at the NJV and measured consideration of business development opportunities.

KEY STATISTICS – 31 December 2013

Shares on Issue:	123.9 million	
Cash & equivalents:	\$196.7 million	
Board:	Anthony Kiernan	Chairman and Non-Executive Director
	Morgan Ball	Managing Director
	Andy Haslam	Non-Executive Director
	Malcolm McComas	Non-Executive Director
	Terry Ransted	Non-Executive Director
	Peter Wilshaw	Non-Executive Director
	Mike Young	Non-Executive Director
	Anthea Bird	Company Secretary
	Linda Edge	Company Secretary
Major Shareholders:	Tribeca Investments	6.3%
	National Australia Bank	6.1%
	Australian Super	6.1%
	Ausbil Dexia	6.0%

Website: www.bcion.com.au