

APPROVALS SECURED FOR IRON VALLEY BELOW WATER TABLE MINING

BC Iron Limited (ASX:BCI) (“BC Iron” or “the Company”) is pleased to advise that all approvals have now been secured for below water table mining at the Iron Valley Mine. This allows BC Iron’s operating partner, Mineral Resources Limited (“MIN”), to access the entire Iron Valley Ore Reserves of 123.2Mt¹ and significantly extend the mine life at current production rates of around 7Mtpa.

Approvals that have been secured by BC Iron and MIN include:

- Minister for Environment approval and issuance of the Ministerial Statement under the *Environmental Protection Act 1986*;
- Department of Mines and Petroleum approval of the Revised Mining Proposal and Revised Mine Closure Plan under the *Mining Act 1978*;
- Department of Water approval of the required water licence; and
- Department of Environmental Regulation approval to amend the Iron Valley operating licence.

BC Iron Managing Director, Alwyn Vorster, commented: *“The finalisation of all required below water table approvals is the result of excellent cooperation and teamwork between BC Iron and MIN over an extended time period. Iron Valley is currently contributing robust royalty earnings for BC Iron given resilient iron ore prices and the strong operating performance by MIN. BC Iron will update its FY17 EBITDA guidance for Iron Valley (currently \$6M to \$16M) following finalisation of the December 2016 quarter production and financial results.”*

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FOR FURTHER INFORMATION:

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ABOUT BC IRON LIMITED

BC Iron is an ASX-listed development and mining company with a portfolio of assets primarily located in the Pilbara region of Western Australia. The Company's key assets include Iron Valley, Buckland and Nullagine.

Iron Valley is a mine located in the Central Pilbara with Ore Reserves of 123.2Mt at 58.8% Fe.¹ The mine is operated by Mineral Resources Limited ("MIN") under an iron ore sale agreement with BC Iron and is generating low risk royalty earnings for the Company.

Buckland is a strategic development project located in the West Pilbara region, comprising a proposed mine at Bungaroo South and a proposed infrastructure solution incorporating a haul road and transshipment port at Cape Preston East. It has Ore Reserves of 134.3 Mt at 57.6% Fe,² a completed feasibility study, and all primary tenure and approvals secured.

Nullagine is an unincorporated 75:25 joint venture with Fortescue Metals Group Limited ("Fortescue"). On 10 October 2016, BC Iron entered into a conditional binding terms sheet for the sale of its 75% interest to Fortescue for a royalty on future iron ore mined.

BC Iron holds a number of other exploration stage projects in a range of commodities and potential iron ore royalties over the Koodaideri South, Extension and Breakaway tenements.

The Company is also targeting new opportunities with a strong value proposition and near-term earnings potential, including commodities other than iron ore.

KEY STATISTICS

Shares on issue:	392.5 million	
Board:	Brian O'Donnell	Non-Executive Chairman
	Alwyn Vorster	Managing Director
	Martin Bryant	Non-Executive Director
	Andy Haslam	Non-Executive Director
Major shareholders:	Wroxby Pty Ltd	26.0%

Website: www.bciron.com.au

1: Refer to ASX announcement released on 30 August 2016.

2: Refer to BC Iron's 2016 Annual Report released on 24 October 2016.