

RECORD IRON VALLEY QUARTERLY RESULT

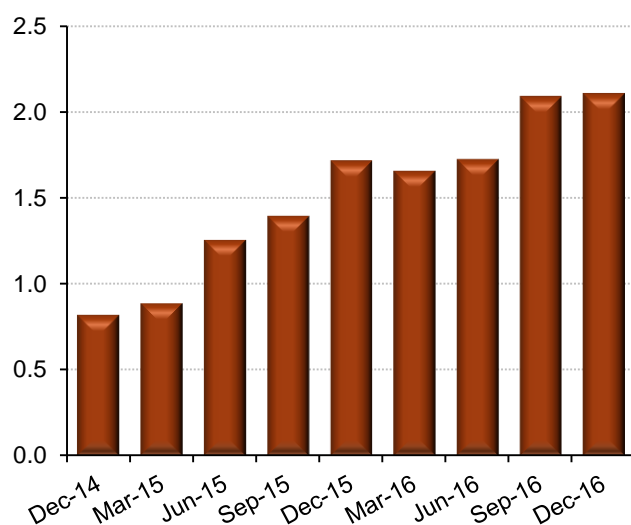
- BC Iron EBITDA of A\$8.1M from Iron Valley for the December 2016 quarter from shipments of 2.1M wmt
- Record quarterly result for both BC Iron EBITDA and tonnes shipped
- 1H FY17 BC Iron EBITDA of A\$12.8M from shipments of 4.2M wmt
- FY17 Iron Valley EBITDA guidance updated to A\$18-25M (previously A\$6-16M)

BC Iron Limited (ASX:BCI) (“BC Iron” or “the Company”) is pleased to announce December 2016 quarterly production and financial results for Iron Valley, which is operated by Mineral Resources Limited (“MIN”) under an ore purchase agreement with BC Iron.

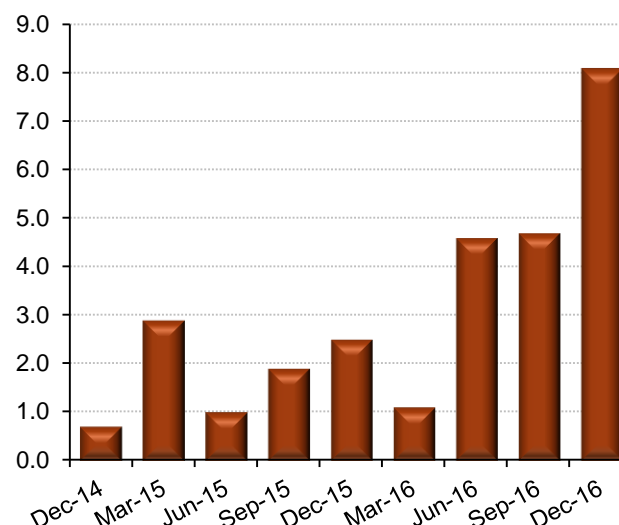
MIN shipped a record of 2.1 million wet metric tonnes (“M wmt”) from Iron Valley in the December 2016 quarter. Continued robust iron ore pricing and strong MIN operational performance during the quarter translated into a record quarterly EBITDA for BC Iron of A\$8.1M (unaudited), which includes a positive adjustment of A\$0.8M relating to the finalisation of pricing for shipments that departed in prior periods.

Quarterly Iron Valley shipments and EBITDA figures since the start of operations are shown in the charts below, highlighting that this is the third consecutive quarter that record production and EBITDA figures have been achieved.

Iron Valley Quarterly Shipments (M wmt)



Iron Valley Quarterly EBITDA (A\$M)



For the first half of FY17, BC Iron's EBITDA from Iron Valley totalled A\$12.8M (unaudited) from shipments of 4.2M wmt.

In light of the strong figures for the first half of FY17, BC Iron has revised its FY17 Iron Valley EBITDA guidance to A\$18-25M (previously A\$6-16M), based on the assumptions in footnote 1.

Commenting on the result, BC Iron Managing Director, Alwyn Vorster, said: *"Iron Valley continues to generate solid earnings for BC Iron in the form of low-risk royalties. This has allowed the Company to provide a significant upgrade to FY17 EBITDA guidance to A\$18-25M. Iron Valley earnings, coupled with a healthy cash balance and unique asset portfolio, strongly positions BC Iron to pursue its growth strategy and generate value for shareholders."*

- ENDS -

FOR FURTHER INFORMATION:

ALWYN VORSTER

MANAGING DIRECTOR

BC IRON LIMITED

TELEPHONE: +61 8 6311 3400

MEDIA ENQUIRIES:

TONY DAWE

PROFESSIONAL PUBLIC RELATIONS

TELEPHONE: +61 8 9388 0944

1: Lower end based on FY17 production of 7M wmt, CFR 62% Fe iron ore price of US\$75/dmt in Jan-17 and US\$55/dmt for Feb-17 to Jun-17, Capesize freight rate of US\$6/wmt and exchange rate of 0.75 for Jan-17 to Jun-17. Upper end based on FY17 production of 8M wmt, CFR 62% Fe iron ore price of US\$75/dmt in Jan-17 and US\$70/dmt for Feb-17 to Jun-17, Capesize freight rate of US\$6/wmt and exchange rate of 0.75 for Jan-17 to Jun-17.

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 ore purchase 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"). BC Iron has entered into a binding sale agreement 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.