



The ASX
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

By fax: 9221 2020

BC IRON LISTS ON THE ASX TODAY

New Australian iron ore float, BC Iron Limited (ASX Code BCI), made a promising debut on the Australian Stock Exchange at **10.30am (WST) today** (Friday, 15 December 2006) opening at 48 cents, at a 92 % premium to the issue price. BC Iron issued 24 million shares at 25 cents each to raise \$6 million under the IPO which **closed heavily oversubscribed** on Friday 1 December.

BC Iron – which is headed by Mr Young as Managing Director, and well-known Perth-based lawyer and businessman, Mr Tony Kiernan, as Chairman – was formed earlier this year through the amalgamation of particular iron ore assets of Alkane and Consolidated Minerals Limited in the Pilbara region of Western Australia.

The \$6 million IPO will underpin extensive drilling programs targeting wide-spread channel deposits within the recently consolidated **Nullagine Iron Ore Project**, comprising adjoining tenements held by Consolidated and Alkane in the East Pilbara region. This region, currently one of the fastest growing iron ore provinces in the world, with major existing and new iron ore mines including Fortescue Metal Group's Christmas Creek and Cloud Break mines, currently under development.

The IPO will ensure the immediate exploration of some 1,500km² of tenements targeting three separate channel deposit systems, providing the possibility of building a new iron ore exploration and development project in one of the world's most valuable mineral provinces. A total of \$3.25 million of expenditure has been budgeted for exploration during the first two years.

The Channel Iron Deposits (CID) of the Pilbara region, such as the world-class Yandicoogina deposit, account for 7.8 billion tonnes of iron ore resources, but historically have contributed less than approximately 20% of production from the region. Production from CID is increasing with the record levels of demand for iron ore globally and particularly from the rapidly growing Chinese economy.

An assessment by BCI, based on detailed mapping and limited drilling completed during Alkane's diamond exploration in the 1990s, determined that an Exploration Target¹ of **between 200 – 600 Mt** of iron-bearing pisolithic palaeochannel exists in the Bonnie Creek system. The drill holes were logged in detail but not assayed for iron, however **surface sampling** has returned values of up to 59% Fe within the Bonnie Creek system.

The Nullagine Iron Ore Project area is 200km south east of Port Hedland and 75 km north of Newman, strategically located approximately 50-100km east of the existing BHP-Billiton railway line and 20-30km north of the proposed operations and infrastructure being developed by Fortescue at Christmas Creek and Cloud Break. The railway line proposed by FMG traverses the western edge of the Nullagine Project tenements.

Mr Mike Young
Managing Director
BC Iron Limited

1- It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resources have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. The information in this report that relates to Exploration Targets is based on information compiled by Mr M Young and Mr T W Ransted both of whom are Members of The Australasian Institute of Mining and Metallurgy. Mr Young and Mr Ransted each have sufficient experience which is relevant to the style of mineralisation and type of deposit under

consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Young and Mr Ransted consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

- ENDS -