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13 March 2007

Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

EXPLORATION PROGRAM UPDATE

BC Iron Limited (ASX:BCI) would like to provide the following information as an update on the effects of the cyclones George and Jacob that passed through the Company's project over the past week. BCI personnel in the field took effective precautionary measures, reported no injuries and have since been withdrawn from the field until next week.

An Aboriginal Heritage Survey was scheduled to commence yesterday with Reverse Circulation drilling to commence from March 19th in anticipation of Heritage approvals.

The Survey and RC drilling have been postponed but are expected to recommence within the next few weeks.

Notwithstanding this delay, BCI expects to complete the planned RC program in its entirety during the second quarter as intended.

Yours faithfully,
for **BC IRON LIMITED**



Mike Young
Managing Director