



BC IRON LIMITED

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FURTHER THICK INTERSECTIONS OF IRON ORE AT WARRIGAL WELL, NULLAGINE PROJECT

HIGHLIGHTS

- **Diamond drilling extends known mineralisation at Warrigal Well and supports previously reported RC drill results.**
- **Confirms DSO potential with best intercept of:**
 - **27m @ 55.2% Fe (62.7% CaFe) from surface including 8m @ 57.4% Fe (64.6% CaFe) from 9m.**
- **Final diamond core results at Outcamp Well consistent with previous RC Drilling**

BC Iron Limited (ASX: **BCI** – “BC Iron”) is pleased to report that it is continuing to receive excellent results from the recently discovered **Warrigal Well** deposit, which lies directly east of **Outcamp Well** (Figure 1) part of the Company’s 100%-owned **Nullagine Iron Ore Project** in Western Australia’s Pilbara region. This prospect comprises a series of isolated, steep-walled mesas which occur along a 9km length of the modern day Bonnie Creek.

Previously reported Reverse Circulation (RC) drilling indicated that the Warrigal Well deposit had the potential to become a significant source of Direct Shipping Ore (DSO). Recently announced assays from the first diamond core hole completed at Warrigal Well confirmed this, returning **25m @ 53.1% Fe (60.7% CaFe) from surface including 7m @ 57.9% Fe (65.7% CaFe) from 5m.**

Recently received assays from diamond core holes (Table 1) at **Warrigal Well** have extended the known CID mineralisation, with results including:

- **11m @ 57.6% Fe (64.9% CaFe) from surface;**
- **27m @ 55.2% Fe (62.7% CaFe) from surface, including**
- **8m @ 57.4% Fe (64.6% CaFe) from 9m.**

Assays from the final diamond core hole at Outcamp Well, which was completed to provide information for the initial resource estimate, have been received and conform to previous RC drilling (Table 1).

BC Iron is continuing to work towards an initial Resource Estimate for the Outcamp Well and Coongan Well deposits at the Nullagine Project and recently commenced a Scoping Study on a 3Mtpa DSO start-up operation.

Table 1 – Diamond core assay results

Hole	From	To	Width	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Warrigal Prospect										
BD0391*	0	25	25	53.1	60.7	4.1	2.5	0.03	0.01	13.3
<i>including</i>	0	3	3	59.0	65.1	2.6	1.7	0.03	0.02	9.5
<i>including</i>	10	17	7	57.9	65.7	3.0	1.3	0.03	0.01	11.8
BD0392	1	5	4	54.0	62.0	2.3	2.2	0.02	0.01	12.8
<i>and</i>	8	12	4	57.8	63.8	4.1	1.0	0.02	0.01	12.2
BD0393	0	21	21	52.9	60.2	5.5	3.7	0.03	0.02	12.2
<i>including</i>	0	9	9	56.6	63.8	3.8	1.6	0.03	0.02	11.4
BD0394	0	11	11	57.6	64.9	3.6	1.9	0.03	0.01	11.2
BD0395	0	27	27	55.2	62.7	4.5	2.6	0.03	0.01	12.0
<i>including</i>	9	17	8	57.4	64.6	4.4	1.8	0.03	0.01	11.1
<i>including</i>	20	26	6	58.6	65.9	3.0	1.5	0.02	0.02	11.0
BD0396	Assays Pending									
BD0397	Assays Pending									
Outcamp Well Prospect										
BD0390	0	14	14	56.0	63.2	3.9	3.7	0.02	0.02	11.4
<i>including</i>	1	5	4	58.9	65.9	2.6	2.0	0.02	0.01	10.7

Notes:

- Analyses conducted by Ultratrace Laboratories using X-Ray Fluorescence Spectrometry with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analyses at 1000°C
- Calcined Fe (CaFe) calculated by the formula $CaFe\% = ((Fe\%) / (100 - LOI_{1000})) * 100$
- Samples ½ cut core
- * denotes previously released

- ENDS -

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About BC Iron Limited

BC Iron Limited (ASX: BCI) is an emerging iron ore exploration and development company focused on Western Australia's Pilbara region. BC Iron's 100%-owned **Nullagine Project** is strategically located north east of the Cloud Break operation, part of Fortescue Metal Group's Chichester Iron Project. BC Iron's project is proximal to the open access railway line currently under development by Fortescue between Chichester and Fortescue's dedicated iron ore berths at Port Hedland, 260km to the north west.

BC Iron has commenced a Scoping Study to examine a potential start-up operation at the **Bonnie Creek CID Project** (Coongan Well and Outcamp Well) at a nominal production rate of 3 Mtpa of DSO. The Study will focus on these deposits as part of the Company's stated objective of generating rapid cash flows by bringing the Nullagine Project into production as early as possible.

The Company has entered into an MOU with Fortescue Metals Group for the provision of bulk transport for its material, including potential Joint Venture or mine gate sale options.

A capital raising of \$9.18 M was completed in November 2007, through the issue of 5.4 M fully paid ordinary shares to sophisticated and professional investors. Funds raised will be applied to the continuing exploration and development of the Nullagine Project.

Key Statistics

Shares on Issue:	63.7 million (fully diluted)
Board and Management:	Tony Kiernan – Chairman Mike Young – Managing Director Garth Higgo – Non-Executive Director Terry Ransted – Non-Executive Director Steven Chadwick – Non-Executive Director
Major Shareholders:	Consolidated Minerals 26% Alkane Resources 15%



JORC Statement

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of BC Iron Limited, that could cause actual results to differ materially from such statements. BC Iron Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

The information that relates to Exploration Results is based on information compiled by Michael Young who is a Member of The Australian Institute of Geoscientists and a Director of the Company. Mr Young has 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'. Mr Young consents to the inclusion in his name of the matters based on their information in the form and context in which it appears.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information relating to the terms "exploration target", "direct shipping ore" and "upgrade" should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) 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

