



BC IRON LIMITED

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MAIDEN 47 MILLION TONNE RESOURCE AT NULLAGINE IRON ORE PROJECT

HIGHLIGHTS

- **High-grade DSO resource of 28.0Mt grading 57.4% Fe (65.1% CaFe) at Outcamp and Coongan Prospects**
- **Total Channel Iron Deposit mineral resource of 47.2 Mt @ 53.6% Fe (61.5% CaFe)**
- **DSO comprises high grade ore from surface with low impurities**
- **Scoping Study on a 3Mtpa DSO operation progressing on schedule – due for completion June Quarter 2008**
- **Targeting low Capex / Opex operation with potential for early cash flow**
- **MOU with Fortescue Metals Group for rail transport and ship loading at Port Hedland**
- **Increased resource base expected in the coming year with further drilling**

Emerging iron ore company, BC Iron Limited (ASX: BCI – “BC Iron”), is pleased to announce the completion of its maiden resource estimate at the Outcamp and Coongan Well prospects within its 100%-owned Nullagine Iron Ore Project in Western Australia’s Pilbara region. The resource comprises **28.0 million tonnes of high-grade Direct Shipping Ore (DSO) grading 57.4% Fe** within a global resource totalling 47.2 Mt grading 53.6% Fe (61.5% CaFe) of mineralised Channel Iron Deposit (CID).

The Inferred Resource at the Coongan and Outcamp Well deposits, which in part make up the **Bonnie Creek CID Project**, includes the information from all reverse circulation and diamond core drilling completed on the project to date. Reconnaissance drilling at Warrigal Well, which lies

directly east of Outcamp, and Bonnie Creek East has confirmed additional DSO exploration targets of between 15 and 25Mt at between 55% and 58% Fe which represent priority targets for the upcoming drilling.

The initial resource estimate (Table 1) provides a solid foundation for the current Scoping Study on the Nullagine Project, which is based on a 3Mtpa start-up DSO operation at the Bonnie Creek CID Project, and is due for completion in the June Quarter of 2008.

Resource Estimate

The mineral resource estimate was based on data collated by BC Iron staff and prepared by Golder Associates. The resource was estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004).

Table 1 - Bonnie Creek CID Project - Mineral Resource Estimate - March 2008

DSO Resource Estimate										
Prospect	COG ¹	Zone	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Outcamp	55.0	DSO	20.6	57.3	64.9	3.18	1.70	0.016	0.017	11.8
Coongan	55.0	DSO	7.4	57.8	65.5	2.39	1.86	0.013	0.017	11.8
TOTAL DSO	55.0	DSO	28.0	57.4	65.1	2.98	1.76	0.015	0.017	11.8

TOTAL CID Resource Estimate										
Prospect	COG ²	Zone	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	P	S	LOI ₁₀₀₀
Outcamp	45.0	CID	35.9	53.5	61.3	5.03	3.34	0.017	0.018	12.7
Coongan	45.0	CID	11.3	54.0	61.8	4.16	3.31	0.015	0.018	12.7
TOTAL CID	45.0	CID	47.2	53.6	61.5	4.82	3.33	0.017	0.018	12.7

The resource estimate comprises a high-grade DSO zone which was modelled based on interpretations from drill hole data using a 55% Fe down-hole cut-off grade (COG¹). The mineralised CID Zone was modelled based on chemical and geological boundaries and comprises both the DSO Zone plus surrounding material at a 45% Fe block cut-off grade (COG²). No Al₂O₃ cut-offs were used in reporting the resources.

Bonnie Creek CID – A Rapid Development Opportunity

The maiden resource estimate for the Nullagine Project represents a significant milestone in BC Iron's development, coming just 15 months after the Company's successful IPO and listing on the Australian Securities Exchange. The significant initial tonnage of high-grade DSO represents a valuable asset for the Company with the following key advantages:

- low contaminant levels of silica, alumina, sulphur and phosphorous making the iron ore attractive to potential customers and offering a simple, low-cost processing option;



- outcropping and shallow, flat-lying ore at all deposits, resulting in very low strip ratios and potentially low capital and operating costs;
- proximity to existing infrastructure, including Fortescue Metal Group's (FMG) Chichester operations, offering a rapid path to development and cash flow; and
- a Memorandum of Understanding (MOU) already in place with FMG for the bulk transport of iron ore.

The Nullagine Project is strategically located directly north of FMG's Chichester Project, and relatively close to the open access railway line currently under development by FMG between Chichester and the dedicated iron ore berths at Port Hedland, 260km to the north. FMG is scheduled to commence iron ore exports from the Pilbara in the near future.

An MOU has been signed with FMG facilitating negotiations over bulk commodity transport options including rail haulage, port handling and ship loading services at a rate of up to 5 Mtpa DSO.

Ongoing Exploration

BC Iron is planning to re-commence drilling at the Nullagine Project in April to further increase the confidence in the currently defined resources and upgrade the resource category. Drilling at several other targets, including Bonnie Creek East, Warrigal Well, and Dandy Well is expected to increase the Company's inventory of iron ore resources in the coming year. Longer term prospects include the potential for upgradeable CID and potential detrital deposits identified at the Shaw River CID project located some 25 km to the west, which will be tested later in the year.

JORC Statement

The information relating to the terms "iron ore", "exploration target", "direct shipping ore" and "upgrade" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004) and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

This release may include forward-looking statements. These forward-looking statements are based on BC Iron'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 targets, exploration results and drilling data is based on information compiled by Michael Young who is a Member of The Australian Institute of Geoscientists and a Director of the Company. The information that relates to the Mineral Resource Estimate has been compiled by Mr Stephen Godfrey who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates. Both Mr Young and Mr Godfrey have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey and Mr Young consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.



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 facilitating negotiation over 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%

- ENDS -

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Attachment 1

BC Iron Limited (BCI) commissioned Golder Associates (Golder) to carry out geological modelling and resource estimates of the Coongan Well and Outcamp Well deposits based on reverse circulation (RC) and diamond core drilling (DD) carried out by BCI.

Data Collection

Drilling was carried out using conventional RC and DD, sampling was done on 1m intervals using riffle splitters for RC and ½ cut core for DD. No wet samples were intersected in the RC drilling from within the CID zones.

A QA/QC program incorporating standards, duplicates and twin RC and DD holes was carried out by BCI to provide an appropriate level of confidence in the analytical data.

SG data is based on core measurements from holes at both deposits; the SG used for the resource at both deposits is 2.91.

Topographic data was collected during 2007 using LIDAR surveys and has sub-metre accuracy.

Golder have not inspected the Nullagine Project and are relying on BCI to provide accurate drill hole information.

The internal integrity of the drill hole database was checked by Golder for errors and inconsistencies and found to be in good order.

Modelling Process

Mineralised envelopes were defined by topography, geological and Fe, Al₂O₃, and SiO₂ assays for the iron-enriched pisolitic part of the channel (CID Zone). Within the CID zone, a second zone (DSO Zone) was interpreted on sections using drill hole data at a 55% Fe cut off grade.

Exploration data was composited to 1 m down hole lengths and flagged by domain boundaries for statistical analysis and grade estimation.

Directional variography was carried out for all domains to provide input parameters for use in the grade estimation using Ordinary Kriging.

Estimation was done on the DSO Zone using only samples flagged from within that zone, and a second estimation was done on the CID Zone using only samples from within the CID Zone and excluding samples within the DSO Zone.

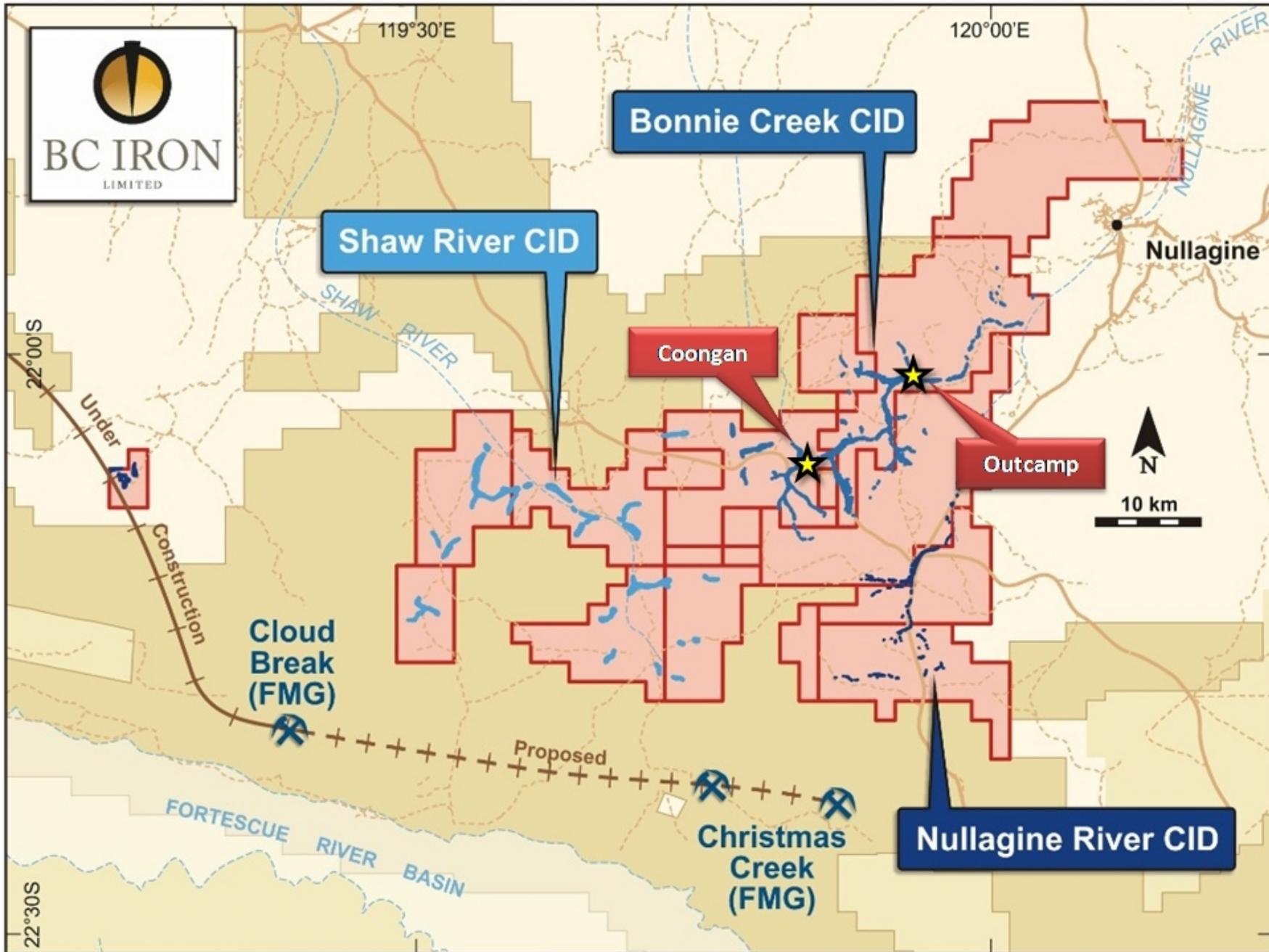


Figure 1 – Location Plan of Nullagine Project north of Fortescue Metals' Cloud Break and Christmas Creek operations

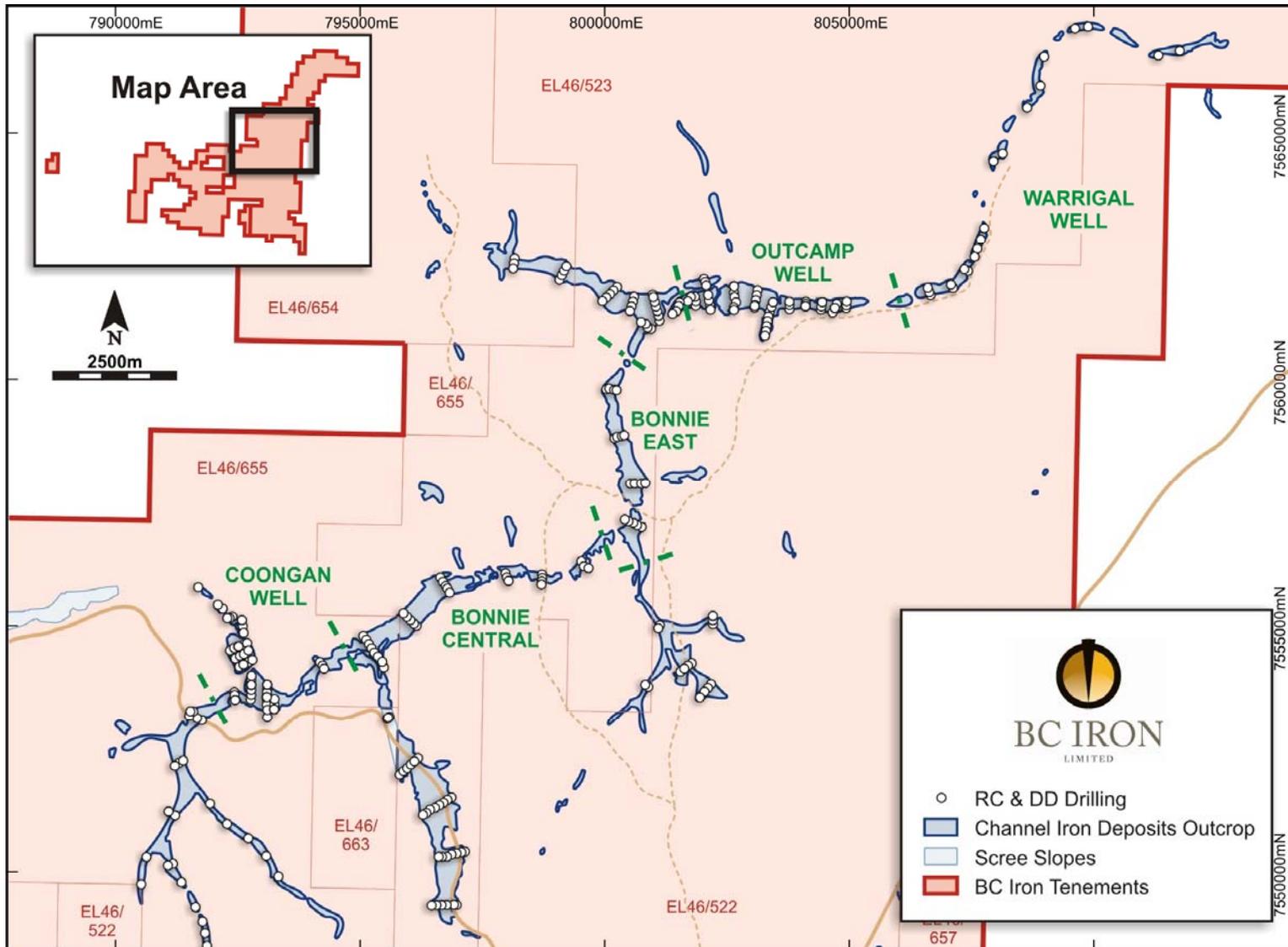


Figure 2 – Location plan of Prospects on Bonnie Creek CID Project.