



# BC IRON LIMITED

Unit 8, 8 Clive Street  
West Perth, WA 6005  
GPO Box 2811 - Perth WA 6001  
Telephone : +61 (0)8 9324 3200  
Facsimile : +61 (0)8 9324 3111  
Email : info@bciron.com.au  
ABN : 21 120 646 924  
ACN : 120 646 924  
ASX : BCI  
Website : www.bciron.com.au

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## RESOURCE IN-FILL DRILLING UNDERWAY AT NULLAGINE IRON ORE PROJECT

### HIGHLIGHTS

- **Major 25-30,000m resource in-fill and extension drilling program commences.**
- **Drilling designed to upgrade and enhance the current high-grade JORC resource of 28Mt @ 57.4% Fe.**
- **Drilling also planned to delineate further DSO resources at Warrigal Well, Bonnie East and Dandy Well – *targeting a further 20-30 Mt DSO.***
- **Scoping Study on 3Mtpa DSO operation on schedule for completion by late June 2008.**

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BC Iron Limited (ASX: **BCI** – “BC Iron”) is pleased to announce the commencement of a major program of resource in-fill and delineation drilling at the Company’s 100%-owned **Nullagine Iron Ore Project**, located in Western Australia’s East Pilbara region.

The Heritage Survey was successfully completed and one track-mounted Reverse Circulation (RC) drilling rig is already in operation. A second rig is scheduled to commence later this month, marking the next key phase of activity at the Nullagine Project ahead of a Feasibility Study scheduled to commence by the end of the year. BC Iron’s objective is to accelerate the Nullagine Project towards production as rapidly as possible.

The current drilling program is designed to upgrade the current JORC-Code compliant resource inventory at the Coongan and Outcamp Well deposits, part of the Bonnie Creek Channel Iron Deposit (CID). **In addition, drilling will also be carried out to delineate additional resources at the priority Warrigal Well, Bonnie East and Dandy Well prospects.**

The overall program will encompass approximately 25-30,000 metres of RC and diamond drilling, and is expected to take approximately two to three months to complete. Importantly, both the drill

rigs are track-mounted which will ensure that rapid progress is made between drill targets with minimal environmental impact.

In March, BC Iron announced a maiden Inferred Resource Estimate for the Bonnie Creek CID comprising **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).

Previously reported Reverse Circulation (RC) drilling indicated that other prospects including Warrigal Well, Bonnie East and Dandy Well have the potential to develop as significant additional resources of between **15 and 30 Mt of DSO grading between 55% and 58% Fe**. Assay results reported previously from Warrigal Well include:

**13m @ 58.3% Fe (65.8% CaFe) from surface;  
12m @ 58.3% Fe (65.5% CaFe) from surface; and  
25m @ 53.1% Fe (60.7% CaFe) from surface, including:  
7m @ 57.9% Fe (65.7% CaFe) from 5m.**

Other growth opportunities for the Company 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.

### **Scoping Study Update**

The Company is also pleased to advise that the recently commenced Scoping Study on the Bonnie Creek CID Project is nearing completion, with all key components now in their final stages of review. The Scoping Study is examining the feasibility of a start-up 3Mtpa operation at Bonnie Creek, as part of the Company's stated objective of generating rapid cash flows.

Key elements of the Study including baseline environmental studies, preliminary mine schedule, marketing and civil, mine and plant designs are well advanced.

BC Iron's Managing Director, Mr Mike Young, said he was pleased with the progress made to date, with the Scoping Study progressing well and delivering positive results on a number of fronts.

"Since completing the initial resource, we've made excellent progress with the Scoping Study, and with that now nearing completion we can concentrate on moving the Inferred Resources into the Indicated and Measured JORC categories," Mr Young added.

"With two rigs scheduled to be operating at site shortly, the Scoping Study results are expected within the next few weeks and a resource update targeted by December 2008, we expect an equally busy second half to the year," he said. "These significant milestones will pave the way for BC Iron to accelerate its development strategy and move to capitalise on the current strong market conditions."

**- ENDS -**

Released by:  
Nicholas Read  
Read Corporate  
Telephone: +618 9388 1474

On behalf of:  
Mr Mike Young  
Managing Director  
BC Iron Limited  
Telephone: +618 9324 3200

## 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 (28.0 Mt grading 57.4% Fe)** 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

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

## **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. A full description and JORC Statement relating to the Mineral Resource Estimate is provided in the release to the ASX dated March 31, 2008.*