

ASX RELEASE – 20 APRIL 2010



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## **NULLAGINE IRON ORE JV AWARDS HAUL ROAD, MINING AND CRUSHING CONTRACTS**

### **HIGHLIGHTS**

- **Haul road, mining and crushing contracts awarded to Australian construction and mining services company - Watpac Ltd**
- **Mining contract to commence in September this year including surface mining, load and haul to the ROM pad and crushing and screening of the ore to stockpile**
- **The contract is for an initial five-year term with production commencing at around 3Mtpa and ramping up to 5mtpa during the contract**
- **Haul road contract to entail construction of 55km dedicated haul road from the Nullagine operation to FMG's Christmas Creek Rail line ~ scheduled to commence in June and be completed prior to Christmas this year**
- **Reflects BC Iron's ongoing strategic focus on mitigating development risks as demand for mining services in WA increases**

Australian iron ore company BC Iron Limited (ASX: BCI); ("**BC Iron**") is pleased to advise that it has awarded its second series of major construction and services contracts as Manager for the Nullagine Iron Ore Joint Venture (BC Iron 50% / FMG 50%) in Western Australia's East Pilbara.

The contracts, worth in excess of \$300 million, include the mining-crushing-screening contract and the contract for the construction of a 55km dedicated haul road from the Joint Venture's Nullagine operations to Fortescue Metals' Christmas Creek Rail line. Work on the haul road is scheduled to commence in June and be completed prior to Christmas this year.

The mining contract commences in September this year and comprises mining, loading and hauling to the run-of-mine (ROM) pad, and crushing, screening and stockpiling final ore product. The contract is for an initial five-year term with production commencing at around 3 million tonnes per annum (mtpa) and ramping up to 5mtpa during the contract.

Both of these contracts have been awarded to Watpac Limited, an ASX-listed company with extensive experience in construction, civil engineering and mining.

BC Iron Managing Director, Mike Young, said the contracts were crucial to the long-term success of the Nullagine Joint Venture as it gears up to commence first production later this year.

“Our first production target is approaching so we are seriously focused on ensuring that all of our long lead-time contracts are secured ahead of a tightening mining services market,” said Mr Young.

“The heavy haul road and the mining, crushing and screening contracts are among the most critical in terms of meeting our production timelines, so securing these now was very important.

“We’re very pleased to be able to award these key contracts to Watpac, who have considerable experience in the industry,” added Mr Young. “With their help, we are looking forward to becoming the Pilbara’s next producer and exporter of iron ore later this year.”

**- ENDS -**

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### **About BC Iron Limited**

BC Iron Limited (ASX: BCI) is an emerging iron ore producer focused on Western Australia’s world-class Pilbara region. The Company’s core asset is a 50% joint venture in the Nullagine Iron Ore Project, an extensive tenement portfolio which is strategically located 140km north of Newman proximal to Fortescue Metals’ Chichester operation.

The Company has entered into the Nullagine Iron Ore Joint Venture with FMG (50%) which has allowed it to rapidly develop the Project. BC Iron will manage the Project and FMG will provide port and rail haulage services.

### **BC Iron Key Statistics**

<b>Shares on Issue:</b>	83.9 million
<b>Cash &amp; equivalents:</b>	31 December 2009 - \$24.1m
<b>Board and Management:</b>	Tony Kiernan – Chairman Mike Young – Managing Director Garth Higgs – Non-Executive Director Terry Ransted – Non-Executive Director Steven Chadwick – Non-Executive Director Morgan Ball – Chief Financial Officer & Company Secretary Blair Duncan – Chief Operating Officer
<b>Major Shareholders:</b>	Consolidated Minerals 22% Regent Pacific Group 16%