

ASX RELEASE – 23 APRIL 2010



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BC IRON POISED FOR PRODUCTION FOLLOWING GRANT OF MINING LEASE FOR NULLAGINE PROJECT

CLEARs THE WAY FOR REVIEW AND APPROVAL OF MINING PROPOSAL

Australian iron ore company BC Iron Limited (ASX: BCI); (“**BC Iron**”) is pleased to advise that the Mining Lease for its **Nullagine Iron Ore Joint Venture** (BC Iron 50% / FMG 50%) in Western Australia’s East Pilbara has been formally granted by the West Australian Department of Mines and Petroleum (DMP).

The grant of the Mining Lease is another key milestone for BC Iron and clears the way for the DMP to complete its review and approve BC Iron’s submitted mining proposal.

BC Iron will commence mining at Nullagine later this year, and remains on track for its stated targets of:

- First ore on ship during December 2010; and
- A production rate of 3Mtpa and the shipment of 1 Million tonnes by 30 June 2011.

Mining Lease, M46/515-I and General Purpose Lease, G46/9 (refer Map below) were granted to BC Iron on 22 April 2010 and cover the Mine Operations Centre, including the mining areas, crushing and treatment facilities, associated infrastructure, and the accommodation and camp services. The proposed haulage route has been permitted to the public Hillside road, allowing direct access to the mining tenement enabling the Company to begin preparation work and construction of the northern section of the private haul road. Tenements for the southern section of the haul road are progressing through the DMP.

The development of the Nullagine Iron Ore Joint Venture is progressing well, with major contracts already awarded, including the recent award of key haul road construction and mining, crushing and screening contracts, and the recent signing of a key Native Title Mining Agreement with the Traditional Owners at Nullagine.

BC Iron Managing Director, Mike Young, said the grant of the Mining Lease was another major milestone for the Company on its pathway to mining and production and its first iron ore exports later this year.

“The grant of the Mining Lease marks a critical milestone for any emerging mining project and we are delighted to have achieved this key statutory approval in a timely fashion,” he said.

“Coming hard on the heels of the recent Native Title and Pastoralist agreements and the award of the key Project contracts, it’s now full steam ahead for the Nullagine Project as we move into the main construction and then production phase.”

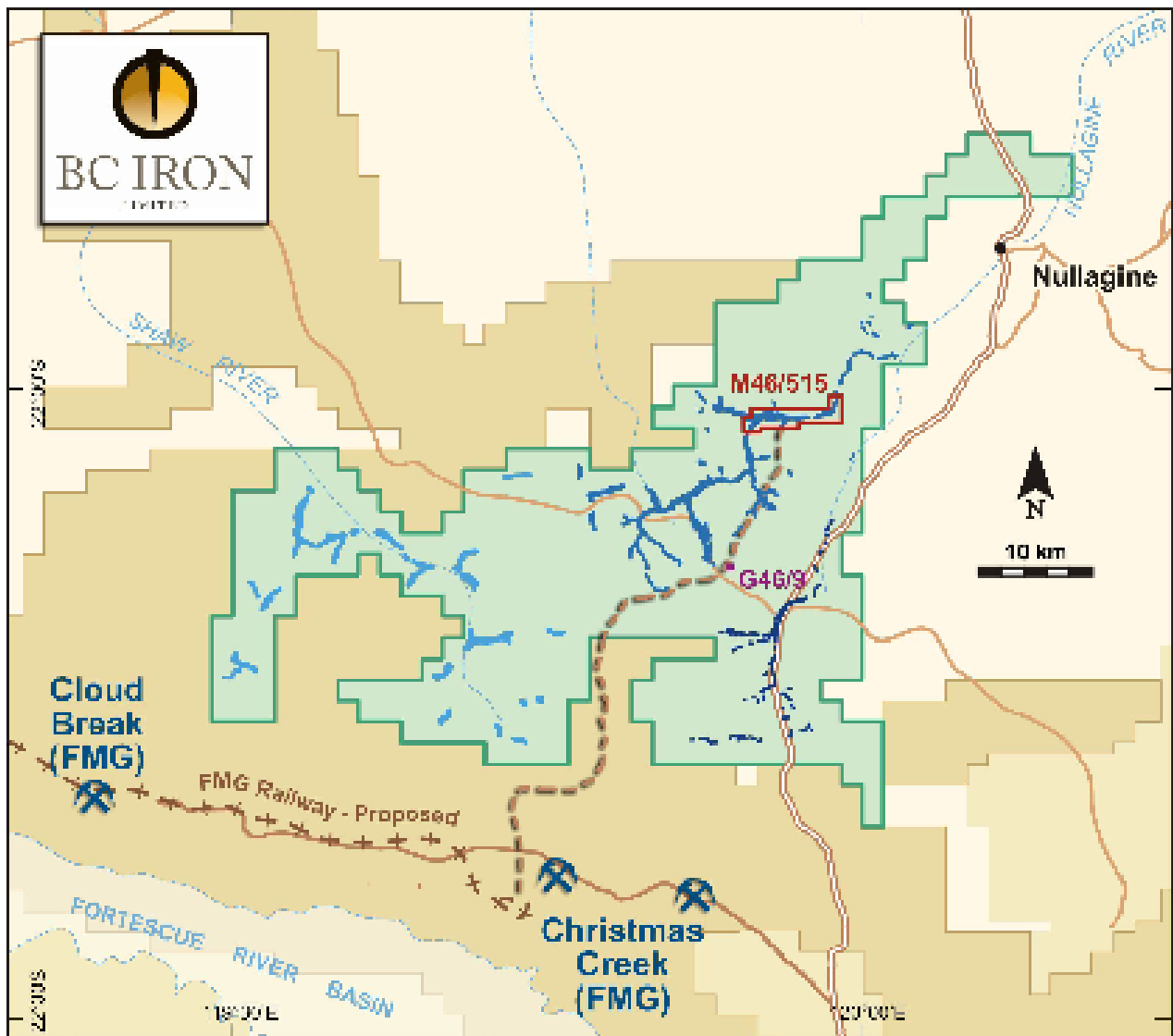
Mr Young said that BC Iron had taken nothing for granted in terms of project development: “We have been meticulous in our planning and have left nothing to chance,” he said. “We’re seeing the benefits of this with a steady stream of approvals and agreements coming through well ahead of planned production.”

“This should provide all stakeholders, including the Company’s shareholders, with good a degree of comfort that the commencement of production will be achieved within stated timeframes,” added Mr Young.

- 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.

The Nullagine Project comprises a Direct Shipping Ore (DSO) Probable Reserve of 36Mt @ 57% Fe. The total mineral resource at the Nullagine Joint Venture is 89Mt @ 54.1% Fe.

BC Iron Key Statistics

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

JORC Competent Persons Statement

The information that relates to the drilling data and geological interpretations 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 at Outcamp, Warrigal Well, and Coongan Well has been compiled by Mr Richard Gaze who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Golder Associates. Both Mr Young and Mr Gaze have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Gaze 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.

The information that relates to the Mineral Resource Estimate at Bonnie East has been compiled by Mr Greg Hudson who is a member of the Australian Institute of Geologists and an employee of BC iron, and Mr Mike Young who is a member of the Australian Institute of Geologists and an employee BC Iron. Mr Young has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is 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 Hudson 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.

The information that relates to the Ore Reserve has been compiled by Mr Blair Duncan who is an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy, and Mr Pieter Doelman who is a member of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. Both Mr Duncan and Mr Doelman have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Duncan and Mr Doelman consent to the inclusion in their names in the matters based on their information in the form and context in which it appears.

Ore Reserve Estimate – Nullagine Iron Ore Joint Venture (BCI 50%, FMG 50%)

Area	Probable Ore						
	Mt	Fe%	Al ₂ O ₃	SiO ₂	P	S	LOI ₁₀₀₀
OUTCAMP WELL	19.2	56.8	1.9	3.2	0.01	0.01	12.2
COONGAN WELL	6.0	57.0	1.8	2.5	0.01	0.01	12.4
WARRIGAL WELL	10.3	57.0	2.1	3.7	0.02	0.01	11.7
TOTAL	35.6	56.9	2.0	3.2	0.02	0.01	12.1

Total CID Resource Estimate – Nullagine Project

Resource Class	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	S	P	LOI ₁₀₀₀
Measured	2.2	54.5	62.1	4.94	3.65	0.018	0.017	12.1
Indicated	68.8	54.0	61.8	4.48	3.08	0.017	0.011	12.7
Inferred	18.1	54.7	62.3	4.27	2.85	0.013	0.018	12.1
TOTAL CID	89.1	54.1	61.9	4.45	3.05	0.016	0.013	12.6

Total DSO Resource Estimate – Nullagine Project

Resource Class	Mt	Fe	CaFe	SiO ₂	Al ₂ O ₃	S	P	LOI ₁₀₀₀
Measured	1.7	57.0	64.8	3.49	2.15	0.018	0.016	12.0
Indicated	38.6	57.0	64.7	3.15	2.09	0.016	0.011	12.0
Inferred	10.4	57.0	64.8	3.27	2.00	0.013	0.010	12.1
TOTAL DSO	50.7	57.0	64.8	3.19	2.07	0.015	0.011	12.0

Note:

- The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.
- DSO (Direct Shipping Ore) is a subset of the CID (Channel Iron Deposit)
- Calcined Fe (CaFe) = Fe / (100-LOI) * 10
- LOI measured at 1000°C
- Mbcm – million bank cubic metres
- W:O – waste to ore ratio