



BC IRON LIMITED

ASX RELEASE – 20 MAY 2010

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BC Iron remains on track with development of Nullagine Iron Ore Joint Venture – first ore to be shipped in December 2010

Key Points:

- **BC Iron and its joint venture partner, the Fortescue Metals Group (“FMG”) are continuing the development of the Nullagine Iron Ore Joint Venture (BC Iron 50% / FMG 50%) in the East Pilbara region of Western Australia.**
- **The Company is aware of uncertainty created by the recent announcement of a proposed Resource Super Profits Tax (“RSPT”), however it can confirm that its development timetable remains unchanged and on track despite the proposed RSPT.**
- **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.**

Australian iron ore company BC Iron Limited (ASX: BCI); (“BC Iron”) is aware of recent market speculation regarding the status and plans of a range of projects in Australia, largely brought about the uncertainty created by the announcement by the Federal Government of a proposed Resources Super Profits Tax, and the subsequent confirmation by a range of companies that they will be postponing or cancelling certain activities until this matter is clarified / resolved.

BC Iron is also aware of the announcement made yesterday in which FMG advised that it was “shelving” two projects, the Solomon and Western Hubs in Western Australia. This decision will have **no affect** on the development plans of the Nullagine Iron Ore Joint Venture, as ore mined from this Project is due to be transported through FMG’s Chichester operation.

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.**

The Company has strong views on the proposed RSPT, and believes that it will have a negative impact on the resources industry and the Company’s plans for any additional project development in Australia. Further to this, senior management of BC Iron is taking an active role in discussions and consultation between the industry and Government.

- 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

Shares on Issue: 83.9 million
Cash & equivalents: 31 March 2010 - \$34.0m

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%