

BC Iron in line with H1 FY2012 Production Guidance

Australian iron ore producer BC Iron Limited (“**BC Iron**”) (**ASX:BCI**) is pleased to advise that its Nullagine Iron Ore Joint Venture (“**NJV**”), a 50:50 joint venture between BC Iron and Fortescue Metals Group Limited (“**Fortescue**”), has achieved a significant milestone this month by exporting **more than 1 million tonnes (“Mt”)** of ore during H1 FY2012.

The NJV has dispatched a further two full cape size vessel shipments during December 2011 from Fortescue’s Herb Elliott Port in Port Hedland to reach a total export of ~ 1.1Mt for H1 FY2012, slightly ahead of the 1Mt production guidance for H1 FY2012. As a result, BC Iron will realise positive cash flow in the December 2011 quarter.

BC Iron Managing Director, Mike Young commented, “I am delighted to announce this significant milestone for the Joint Venture, which has met and slightly exceeded our guidance to the market for the first six months of this financial year. Following the achievement of reaching the 3Mtpa production rate in November, this is the second of four guidance targets for FY2012 that we have ticked off and confirms that we remain on track to achieve our two other targets of raising our production rate to 5Mtpa and exporting 3.5Mt by the end of FY2012. It is also pleasing to note that we continue to receive strong customer support for the quality of our product and operational support from our JV partner, Fortescue.”

The NJV ore is a true Direct Shipping Ore (“**DSO**”) product. It is mined, crushed and screened at the NJV’s mine site near Nullagine, then trucked 55km via a private bitumen haul road to Fortescue’s Christmas Creek operation. From here, the ore is loaded onto trains via the integrated reclaimer system for the 300km rail link to Port Hedland for shipment.



Cape Size vessel MV Nord Steel loading *Bonnie Fines* at Herb Elliot Port during Dec ‘11

FOR FURTHER INFORMATION:

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About BC Iron Limited

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of Western Australia. The Company's core focus is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV uses Fortescue's infrastructure at Christmas Creek, 50km south of the Mine, to rail its ore to Port Hedland from where it is shipped directly to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX.

The JV is currently operating at a production rate of 3Mtpa moving to 5Mtpa during 1H CY2012.

Key Statistics

Shares on Issue: 95.3 million

Cash & equivalents: 30 September 2011 ~\$16.2m

Board:	Tony Kiernan	Chairman & Non-Executive Director
	Mike Young	Managing Director
	Morgan Ball	Finance Director
	Terry Ransted	Non-Executive Director
	Andy Haslam	Non-Executive Director
	Malcolm McComas	Non-Executive Director
	Linda Edge	Company Secretary

Major Shareholders: Consolidated Minerals: 24.1%
Regent Pacific Group: 22.6%

Website: www.bcion.com.au