

ASX RELEASE – 27 JUNE 2012

## BC IRON ACHIEVES ALL OPERATIONAL GUIDANCE FOR FY2012

### HIGHLIGHTS

- **Nullagine Joint Venture exports >3.5Mt of ore for FY2012**
  - **All 4 production and export guidance targets achieved for FY2012**
  - **Exports largest cape size vessel to date with >224,000t of ore**
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Australian iron ore producer, BC Iron Limited (“**BC Iron**” or “**the Company**”) (ASX: BCI) is pleased to announce today that the Nullagine Iron Ore Joint Venture (“**NJV**”) has achieved its fourth and final operational milestone for FY2012 by exporting over 3.5Mt of ore. The NJV, located in the Pilbara region of Western Australia, is a 50:50 unincorporated joint venture between BC Iron and Fortescue Metals Group (“**Fortescue**”) (ASX: FMG).

The NJV has now achieved all of the four operational milestones issued by BC Iron to the market at the commencement of FY2012. The four production and shipping targets outlined for FY2012 included:

- 3Mtpa production rate by 31 December 2011 (accomplished in November 2011);
- 1Mt of iron ore exported by 31 December 2011 (shipped 1.1Mt before 31 December 2011);
- 5Mtpa production rate by 30 June 2012 (achieved in May 2012); and
- 3.5Mt of iron ore exported by 30 June 2012 (shipped 3.55Mt before 30 June 2012).

Significantly, the NJV dispatched its largest shipment to date, on 26 June 2012, exporting more than 224,000t of iron ore in one cape size vessel from Herb Elliott Port in Port Hedland. The NJV ore now moves through the Fortescue system at the same rail loading, and ship loading rates as those of Fortescue's products ensuring a high and efficient operating standard.

BC Iron's Managing Director, Mike Young, said, “I cannot speak more highly of the combined BC Iron and Fortescue team effort that has made achieving our goals possible. We set four guidance targets for FY2012 and we have reached all four ahead of schedule. That is, in Canada-speak, batting 1000. It has been a very successful twelve months for the NJV as we have hit steady state.”

“This consistent outperformance is attributable to our staff, the exceptionally strong relationship with Fortescue, and the significant contribution from our key contractors namely Watpac, Toll Resources and Precision Catering.” Mr Young said.

Andrew Forrest, Chairman of Fortescue Metals Group said, "Watching a junior like BC Iron build into an Australian employer, exporter and tax payer is very satisfying. To have played a role in spring boarding their success is even better again. We are deeply grateful to all at BC Iron for their great determination in beating the odds, defying the naysayers, and becoming that significant Australian employer, exporter and tax payer."

Tony Kiernan, Chairman of BC Iron, said that "From 2007, the BC Iron Board has been committed to bringing the Nullagine Project into production as we saw cash flow as the key to growth. Well, here we are with cash flow, and we remain committed to growing BC Iron and rewarding shareholders."

**- ENDS -**

**FOR FURTHER INFORMATION:**

**MIKE YOUNG / MORGAN BALL**

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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 5Mtpa.*

**Key Statistics**

**Shares on Issue:** 103.9 million

**Cash & equivalents:** 31 March 2012 ~\$52.5m

<b>Board and Management:</b>	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

<b>Major Shareholders:</b>	Consolidated Minerals:	23.9%
	Regent Pacific Group:	23.0%
	Henghou Group:	9.9%

Website: [www.bciron.com.au](http://www.bciron.com.au)