

## BC IRON COMPLETES TRANSACTION WITH FORTESCUE

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Australian iron ore producer, BC Iron Limited (“**BC Iron**” or the “**Company**”) (**ASX: BCI**) is pleased to advise that the transaction announced to the ASX on 10 December 2012 (“**Transaction**”) with Fortescue Metals Group Limited (“**Fortescue**”) (**ASX: FMG**) has now been completed.

BC Iron has received the proceeds from its ~A\$47 million underwritten institutional placement and US\$130 million amortising term loan facility, and remitted A\$190 million in cash consideration to Fortescue.

Effective from 1 January 2013, BC Iron’s interest in the Nullagine Iron Ore Joint Venture (“**NJV**”) will be 75% and the capacity available to the NJV on Fortescue’s rail and port infrastructure will be 6 Mtpa.

BC Iron’s Managing Director, Mike Young, said: *“This is a landmark transaction for the Company. We will now focus on hitting our new targets at the NJV operations and working with all our stakeholders towards the goal of achieving a production run-rate of 6 Mtpa during the June quarter of 2013.”*

### Share Purchase Plan

As announced on 10 December 2012, BC Iron will also conduct a share purchase plan (“**SPP**”) to raise up to A\$10 million from eligible BC Iron shareholders at the record date of 7pm Sydney time on 7 December 2012.

The SPP is expected to open on 19 December 2012. Further details of the SPP, including the final SPP price and instructions on how to apply, will be released on the ASX and distributed to eligible shareholders in due course.

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**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, an unincorporated joint venture with Fortescue Metals Group Limited. The NJV uses Fortescue's infrastructure at Christmas Creek, 50 km south of the Nullagine mine, to rail its ore to Port Hedland from where it is shipped directly to customers overseas.

BC Iron has had outstanding success since listing in December 2006. Iron ore exports commenced in February 2011 and since then, the NJV has exported approximately 5.8Mt of iron ore. As of May 2012, the NJV is operating at a production rate of 5Mtpa and is expected to reach a nameplate production rate of 6Mtpa during Q4 FY2013.

On 10 December 2012, BC Iron announced that it had entered into an agreement to increase its interest in the NJV to 75% while also reaching agreement with Fortescue to increase the available infrastructure capacity and hence production of the NJV to 6Mtpa with BC Iron's attributable production being 4.5Mtpa.

On 12 December 2012, BC Iron confirmed the successful completion of a fully underwritten ~\$47 million institutional placement with a final issue price of A\$3.04 per share, a 6.0% premium to the 5 day volume weighted average price for the period ending on 7 December 2012 of approximately \$2.87 per share.

In August 2012, BC Iron entered into an Iron Ore Strategic Alliance with Cleveland Mining to acquire and co-develop new iron ore projects in Brazil. Under the terms of this 50:50 Joint Venture, BC Iron acquired a 5% equity stake in Cleveland Mining.

The Company is now set to move into the next phase of development through measured consideration of business development opportunities.

### Key Statistics

**Current shares on Issue:** 119.4 million

**Cash & equivalents:**  
30 September 2012 ~A\$81 million

<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
	Jamie Gibson	Non-Executive Director
	Linda Edge	Company Secretary

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