

NJV ACHIEVES 6MTPA PRODUCTION MILESTONE

HIGHLIGHTS

- **NJV reaches 6Mtpa nameplate production rate**
- **Milestone achieved in line with previous Q4 FY2013 market guidance**

Australian iron ore producer, BC Iron Limited (“**BC Iron**” or “**the Company**”) (**ASX: BCI**) is pleased to announce that the Nullagine Iron Ore Joint Venture (“**NJV**”) has achieved its updated nameplate target production rate of 6Mtpa of iron ore produced and exported. The NJV, located in the Pilbara region of Western Australia, is a 75:25 unincorporated joint venture between BC Iron and Fortescue Metals Group (“**Fortescue**”) (**ASX: FMG**).

We refer to the announcement of the Fortescue transaction in December 2012 whereby BC Iron increased its stake in the NJV from 50% to 75% and Fortescue increased the annual rail & port capacity available to the NJV from 5Mtpa to 6Mtpa. Further to this, the NJV has now reached a consistent 6Mtpa throughput rate at the mining, crushing, haulage and shipping level, which is in line with the Company’s market guidance set out at the time of the transaction.

During April and May 2013, the NJV demonstrated consistent production metrics and has shipped more than 1.0Mt of ore on six separate capesize vessels to confirm a sustainable 6Mtpa production rate. The NJV has now shipped approximately 8.3Mt of product since the first ore on ship in February 2011.

BC Iron’s Managing Director, Morgan Ball, said, “*I am delighted to report that we have hit our 6Mtpa throughput rate well before the end of this financial year, which is comfortably within our market guidance of Q4 FY2013. This milestone is expected to be maintained for the life of the NJV and shows the significant progress achieved since the Fortescue transaction became effective on 1 January 2013.*”

“*Furthermore, this accomplishment is only one year after meeting our original long term production target of 5Mtpa, which highlights another year of strong operational performance and is a direct result of BC Iron’s outstanding and committed workforce and its strong relationships with its partners and stakeholders.*”

- ENDS -

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 75:25 joint venture with Fortescue Metals Group Limited. The NJV uses Fortescue's infrastructure at Christmas Creek, 50km 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 8.3Mt of iron ore. Since April 2013, the NJV has been operating at a nameplate production rate of 6Mtpa.

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.

BC Iron - Key Statistics

Shares on Issue:	123.2 million	
Cash & equivalents:	31 March 2013	\$99.8M
Board:	Tony Kiernan	Chairman & Non-Executive Director
	Morgan Ball	Managing Director
	Andy Haslam	Non-Executive Director
	Malcolm McComas	Non-Executive Director
	Terry Ransted	Non-Executive Director
	Mike Young	Non-Executive Director
	Anthea Bird	Joint Company Secretary
	Linda Edge	Joint Company Secretary
Major Shareholders:	Consolidated Minerals	23.2%
	Henghou Industries	6.8%
	Tribeca Investments	6.3%
	AMP Limited	5.3%

Website: www.bcion.com.au