

BC IRON SECURES ROYALTY ASSISTANCE

- **Deferral of 50% of BC Iron's NJV royalties for the December 2014 to September 2015 quarters, subject to the FOB received price being less than A\$90 per dmt in the quarter**
- **Repayable in seven equal instalments from the 31 March 2016 to 30 September 2017 period**
- **Defers \$8-12 million in royalties by 1-2 years**

BC Iron Limited (ASX: BCI) ("BC Iron" or the "Company") is pleased to announce that the State Government of Western Australia has agreed to provide royalty assistance to BC Iron in relation to its Nullagine Joint Venture ("NJV") royalty payments.

The assistance is in the form of a deferral of 50% of iron ore royalties paid for the December 2014 to September 2015 quarters, subject to BC Iron's FOB received price being less than A\$90 per dmt in the quarter. The deferred royalties are then repayable in seven equal quarterly instalments with the first repayment due on 31 March 2016 and the last repayment due on 30 September 2017. This will effectively defer in the order of \$8-12 million in royalties by 1-2 years, subject to sales prices and volumes.

BC Iron Managing Director, Morgan Ball, said *"Smaller iron ore producers make up an important part of the industry that has, and will continue to, generate revenue and jobs for Western Australia. We commend the State Government for providing financial assistance as we seek to implement further cost reduction measures at the NJV during 2015."*

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FOR FURTHER INFORMATION:

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ABOUT BC IRON LIMITED

BC Iron is an iron ore mining and development company with key assets in the Pilbara region of Western Australia, including the Nullagine Joint Venture (NJV), Buckland and Iron Valley. BC Iron is listed on the ASX under the code 'BCI'.

The NJV is an unincorporated 75:25 joint venture with Fortescue Metals Group Limited, which commenced exports in February 2011. The NJV utilises Fortescue's infrastructure at Christmas Creek, 50km south of the Nullagine mine, to rail up to 6Mtpa of ore to Port Hedland from where it is shipped directly to customers overseas.

Buckland is a development project located in the West Pilbara region. It has Ore Reserves of 134.3 Mt at 57.6% Fe, a completed and announced feasibility study, its own proposed infrastructure solution comprising a haul road and transshipment port at Cape Preston East, and all primary tenure and licences secured. BC Iron is currently evaluating all options to determine the optimal development and financing path for Buckland.

Iron Valley is a mine with Ore Reserves of 134.7 Mt at 58.5% Fe that was developed and is being operated by Mineral Resources Limited under an iron ore sale agreement.

BC Iron also has an interest in a number of other earlier stage projects in the Pilbara and royalties over the Koodaideri South and North Marillana tenements.

KEY STATISTICS

Shares on issue:	196.2 million	
Cash and cash equivalents:	\$110.1 million	as at 31 December 2014
Board:	Tony Kiernan	Chairman and Non-Executive Director
	Morgan Ball	Managing Director
	Andy Haslam	Non-Executive Director
	Brian O'Donnell	Non-Executive Director
	Terry Ransted	Non-Executive Director
	Anthea Bird	Company Secretary
	Hayley McNamara	Company Secretary
Major shareholders:	Wroxby Pty Ltd	19.0%

Website: www.bcion.com.au