

MARCH 2015 QUARTER UPDATE

- **Solid operational quarter for the NJV, with 1.46M wmt shipped**
- **Ongoing cost reduction initiatives continue to lower NJV C1 cash costs**
- **Iron Valley continues to generate earnings for BC Iron and is exceeding initial expectations**
- **Strong balance sheet position, with cash of \$107.5M and debt of US\$35.8M at 31 March 2015**

BC Iron Limited (ASX: BCI) (“BC Iron” or the “Company”) wishes to provide an update on the Company’s operations and financial position following the March 2015 quarter.

The NJV shipped 1.46M wet metric tonnes (“wmt”) on eight capesize vessels during the March 2015 quarter (March 2014: 1.22M wmt), which represents a run-rate of approximately 5.8Mtpa. The March quarter falls in the Pilbara’s wet season and the NJV experienced several periods of wet weather which affected operations. Notwithstanding this, the achieved run-rate is well above the NJV’s targeted March quarter wet season run-rate of 4.5Mtpa. BC Iron’s share of ore shipped for the quarter was 1.04M wmt, or 71% of the total.

The NJV’s C1 cash costs for the quarter were \$49 per wmt (FOB), which compares to \$54 per wmt (FOB) for the March 2014 quarter. Costs were affected by the periods of wet weather for part of the quarter and the Company notes that C1 cash costs for the month of March 2015 were approximately \$43 per wmt (FOB), reflecting the ongoing cost focus at the operation.

BC Iron remains focused on further sustainable cost reductions and expects to achieve the lower end of the NJV’s C1 cash cost guidance range of \$47-51 per wmt (FOB) for the December 2014 to June 2015 period. As the Company continues to implement and realise these cost-focused initiatives, it is targeting a further material reduction to this range for FY16 cost guidance.

Iron Valley continues to generate earnings for BC Iron and is exceeding initial expectations due to the proportion of lump sold during the quarter by operating partner, Mineral Resources Limited (“MIN”), and its realised pricing. BC Iron is pleased with the quality operational performance at Iron Valley and is supportive of the beneficiation and transport initiatives that MIN is currently assessing.

BC Iron ended the quarter with cash of \$107.5M and debt of US\$35.8M (\$46.9M), to remain in a strong balance sheet position. Cash decreased slightly from \$110.1M as at 31 December 2014 due to capital expenditure payments to establish the Warrigal hub at the NJV.

Further information will be provided in the Company’s March 2015 Quarterly Activities Report, which is due to be released to the ASX on 23 April 2015.

- ENDS -

FOR FURTHER INFORMATION:

MORGAN BALL / CHRIS HUNT
MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER
BC IRON LIMITED
TELEPHONE: +61 8 6311 3400

MEDIA ENQUIRIES:

DAVID TASKER / JAMES HARRIS
PROFESSIONAL PUBLIC RELATIONS
TELEPHONE: +61 8 9388 0944

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:	\$107.5 million	as at 31 March 2015
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