

CORRECTION TO UNDERLYING NET LOSS AFTER TAX

BC Iron Limited (ASX: BCI) (“BC Iron” or the “Company”) wishes to correct the previously reported underlying net loss after tax for the year ended 30 June 2015.

BC Iron’s actual underlying net loss after tax for the year was A\$18.2M, not A\$43.1M which was reported in conjunction with its financial results. This change reflects a correction in the adjustment made for ‘tax losses not recognised’ and the tax effect of ‘IOH transaction costs’.

An updated reconciliation between underlying and statutory net loss after tax is provided below and an updated annual report will be released following this announcement.

| | Year ended 30 Jun 15 A\$M | Year ended 30 Jun 14 A\$M |
|--|---------------------------------|---------------------------------|
| Underlying net (loss) / profit after tax | (18.2) | 77.4 |
| Adjust for: | | |
| • IOH transaction costs | (6.4) | - |
| • Tax losses not recognised | (11.5) | - |
| • Impairment of assets | (121.8) | - |
| • Unrealised foreign exchange (losses) / gains | (0.6) | 1.2 |
| • MRRT (reversal of deferred tax asset) | - | (9.8) |
| • FMG price participation write-back | - | 3.0 |
| Statutory net (loss) / profit after tax | (158.5) | 71.8 |

Underlying net loss after tax is a non-IFRS measure that does not form part of BC Iron’s financial statements. Non-IFRS measures are unaudited.

- 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 / TONY DAWE
PROFESSIONAL PUBLIC RELATIONS
TELEPHONE: +61 8 9388 0944

ABOUT BC IRON LIMITED

BC Iron is an iron ore mining and development company with assets in the Pilbara region of Western Australia, including the Nullagine Joint Venture (“NJV”), Iron Valley and Buckland. 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 (“Fortescue”), 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.

Iron Valley is being operated by Mineral Resources Limited (“MIN”) under an iron ore sale agreement. MIN operates the mine at its cost and purchases Iron Valley product from BC Iron at a price linked to MIN’s realised sale price. MIN is currently evaluating a range of initiatives that have the potential to improve the long term viability of Iron Valley and its value to both parties.

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.

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

KEY STATISTICS

| | | |
|-----------------------------------|-----------------|-------------------------------------|
| Shares on issue: | 196.2 million | |
| Cash and cash equivalents: | \$67.7 million | as at 30 June 2015 |
| Board: | Tony Kiernan | Chairman and Non-Executive Director |
| | Morgan Ball | Managing Director |
| | Martin Bryant | Non-Executive Director |
| | Andy Haslam | Non-Executive Director |
| | Brian O’Donnell | Non-Executive Director |
| | Hayley McNamara | Company Secretary |
| Major shareholders: | Wroxby Pty Ltd | 19.0% |

Website: www.bciron.com.au