

Appendix 5B

Mining exploration entity quarterly report

Name of entity

BC IRON LIMITED

ABN

21 120 646 924

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (3 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(285)	(285)
(b) development	-	-
(c) production	-	-
(d) administration	(225)	(225)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	71	71
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(439)	(439)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(15)	(15)
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(15)	(15)
1.13 Total operating and investing cash flows (carried forward)	(454)	(454)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(454)	(454)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net Financing Cash Flows	-	-
	Net increase (decrease) in cash held	(454)	(454)
1.20	Cash at beginning of quarter/year to date	4048	4048
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	3594	3594

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	96
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Remuneration of Managing Director and remuneration of non executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	1100
4.2 Development	-
TOTAL	1100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	44	54
5.2 Deposits at call	340	254
5.3 Bank overdraft	(86)	-
5.4 Other – investment commercial bills of 6 months or less	3296	3,741
Total: cash at end of quarter (item1.22)	3594	4,049

Changes in interests in mining tenements - *See attached tenement schedule for details*

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities	54,000,000	24,000,000		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks				
7.5 Convertible debt securities				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted options BCIAM	3,750,000	Nil	\$0.25	13/12/09
Unlisted options BCIAO	500,000	Nil	\$0.30	13/12/09
Unlisted options BCIAQ	500,000	Nil	\$0.72	19/02/10
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: *[signed]* Date: 29/10/2007

(~~Director~~/Company Secretary)

Print name: L A COLLESS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.

Tenement Schedule
30 September 2007

Tenement Number	Registered Title Holder	BCI Interests
EL 46/522	Alkane Exploration Ltd	BCI 100%
EL 46/523	Alkane Exploration Ltd	BCI 100%
EL 46/524	Alkane Exploration Ltd	BCI 100%
EL 45/2552	Consolidated Iron Pty Ltd	BCI 100%
EL 45/2717	Consolidated Iron Pty Ltd	BCI 100%
EL 46/651	Consolidated Iron Pty Ltd	BCI 100%
EL 46/652	Consolidated Iron Pty Ltd	BCI 100%
EL 46/653	Consolidated Iron Pty Ltd	BCI 100%
EL 46/654	Consolidated Iron Pty Ltd	BCI 100%
EL 46/655	Consolidated Iron Pty Ltd	BCI 100%
EL 46/656	Consolidated Iron Pty Ltd	BCI 100%
EL 46/657	Consolidated Iron Pty Ltd	BCI 100%
EL 46/658	Consolidated Iron Pty Ltd	BCI 100%
EL 46/663	Consolidated Iron Pty Ltd	BCI 100%