

BC IRON ACHIEVES 5MT EXPORT MILESTONE

HIGHLIGHTS

- NJV exports >5Mt of ore since exports commenced in February 2011
 - NJV ships another cape size vessel with >200,000t of ore
 - The NJV is seeing a marked increase in requests for *Bonnie Fines* product from Asia and Middle East
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Australian iron ore producer, BC Iron Limited (“**BC Iron**” or “**the Company**”) (**ASX: BCI**) announces that the Nullagine Iron Ore Joint Venture (“**NJV**”) has now exported more than 5 million tonnes of ore since commencement of operations. The NJV, located in the Pilbara region of Western Australia, is a 50:50 unincorporated joint venture between BC Iron and Fortescue Metals Group (“**Fortescue**”) (**ASX: FMG**).

The NJV dispatched its latest shipment from Herb Elliott Port in Port Hedland on 28 September 2012 and exported 203,138t of iron ore in the cape size vessel, “*FMG Matilda*”. The NJV has now produced and exported 5,041,302t of iron ore since exports first commenced in February 2011. The NJV uses cape size vessels for shipping product which gives the NJV a competitive advantage over the use of smaller vessels.

BC Iron’s Managing Director, Mike Young, said, “I am very happy to report that after a very successful 2012 financial year for the NJV, we have completed another significant milestone by exporting more than 5 million tonnes of iron ore since our export operations commenced just 19 months ago. The excellent relationship with Fortescue provides us with access to world-class infrastructure, something that provides us with a competitive advantage at a time of softening metal prices.”

“Despite the recent retreat in the iron ore price, we have paradoxically experienced a marked increase in demand for our *Bonnie Fines* product from China, other Asian countries and the Middle East.”

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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, a 50/50 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 the NJV exported ~3.55Mt of iron ore during FY2012. As of May 2012, the NJV is operating at its nameplate production rate of 5Mtpa.

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.

Key Statistics

Shares on Issue: 103.9 million

Cash & equivalents: 30 June 2012 ~\$92.8m

Board and Management:	Tony Kiernan	Chairman & Non-Executive Director
	Mike Young	Managing Director
	Morgan Ball	Finance Director
	Terry Ransted	Non-Executive Director
	Andy Haslam	Non-Executive Director
	Malcolm McComas	Non-Executive Director
	Jamie Gibson	Non-Executive Director
	Linda Edge	Company Secretary

Major Shareholders:

Consolidated Minerals:	23.9%
Regent Pacific Group:	23.1%
Henghou Group:	10.2%

Website: www.bcion.com.au