

ASX RELEASE – 5 APRIL 2011

Nullagine Iron Ore Joint Venture - Operations Update

Australian iron ore producer **BC Iron Limited** (“**BC Iron**” or “**the Company**”) (ASX: BCI) is pleased to provide a further update on progress at the Nullagine Iron Ore Joint Venture (“**JV**”) (BC Iron 50% / Fortescue Metals Group Limited 50%) in the Pilbara region of Western Australia.

Ore Shipments

The JV’s second shipment of ~ 20,000 tonnes of ore departed from Port Hedland on 29 March 2011. Increased tonnages are scheduled for shipment during April and May approaching full cape size vessel shipments of ~ 180,000 tonnes per shipment from June 2011 onwards.

Despite several disruptions to ore haulage by truck to the railhead at Fortescue Metals Group’s (“**Fortescue**”) Christmas Creek operation due to heavy rains throughout January to March, haulage via the public Marble Bar-Newman road recommenced in March and is progressing well.

Production Targets

The JV’s target of ~ 800,000t shipped by 30 June 2011 remains on track (weather permitting) and the JV expects to have exported ~ 2.5Mt by 31 December 2011.

Village and Mine Operations Centre

The construction of the mining village is now complete and currently houses 182 employees and contractors. Construction on the Mine Operations Centre was completed in March 2011 and is now operational.

Mining & Crushing Operations

Mining at the Outcamp Deposit continued despite the wet weather, using two Wirtgen TL2400 surface miners currently on a single shift basis. Each machine is operating more efficiently than expected and is exceeding the rate of 650 t/hr with lower than expected tooth wear.

The Striker crushing and screening plant is now fully commissioned and operating at the expected capacity of approximately 6,500 tonnes throughput per shift (12 hours).

Haul Road Update

Truck haulage capacity is dependent on the configuration and size of the haul trucks being used, the use of public versus private roads and the construction status of the private haul road. Currently, haul trucks of 75t payload ("triples") are using a combination of private and public roads over a distance of 120 km from the mine site to the railhead. By mid-April, the Project's private haul road will be suitable for "haulage under construction" and then triples will be able to haul 110t each with the haulage distance reduced to 55km. By mid-May, the private haul road will be suitable for use of the 360t payload PowerTrans units and together with the triples, total haulage capacity will exceed the haulage production rates required to operate at 3Mtpa.

Three of the 360t Power Trans road trains, operated by Mitchells West, are now on site and will operate on the haul road from mid-May. Mitchells have ordered five more units and a total of eight units will be operational by the first quarter of calendar 2012 with a total available haulage capacity of ~5Mtpa.

Official Mine Opening Ceremony

On 18 April 2011, BC Iron and Fortescue are hosting an official Mine Opening Ceremony at the Nullagine Iron Ore Project including senior officials from the State and Federal governments, representatives from the local Palyku and Nyiyaparli people, and the media to recognise the importance of this achievement.

BC Iron's Managing Director, Mike Young, commented that, "Even though we experienced some heavy rains in the Pilbara region recently, the fact is it didn't wash the ore away and our operations are up and running once again. We remain on track to hit our near and long term production targets and we continue to strengthen our relationship with Fortescue. Our customer in China is delighted with the quality of iron ore received from the first shipment and we're still looking at new business development opportunities, primarily in the iron ore space."

Purported termination of Scheme Implementation Agreement by Regent Pacific Group

On 22 March 2011, BC Iron announced that it had made an application to the Takeovers Panel for a declaration of unacceptable circumstances in relation to the purported termination of the Scheme Implementation Agreement ("SIA") by Regent Pacific Group and orders requiring it to proceed in accordance with the SIA. BC Iron will inform shareholders as soon as the outcome of the Takeovers Panel application is known.

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FOR FURTHER INFORMATION:

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