

Ore Haulage Commences

Project Update - Nullagine Iron Ore Joint Venture

Key Points:

- **Haulage of Ore to Fortescue via public roads commences;**
- **Heritage s. 18 approval for Stage 3 Haul Road has now been received;**
- **NIOJV has commenced building the stockpile at Christmas Creek;**
- **First Ore on Ship First Quarter and on track for 1Mt by 30 June 2011.**

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

Product Haulage and First Shipment

In early January, the NIOJV completed haulage of 5,000 t of sheeting material for use as the base of the Project Stockpile at Fortescue Metals Group’s (“Fortescue”) Ore Processing Facility (“OPF”) at Christmas Creek.

The crushing and screening plant at the Outcamp Mine has begun wet commissioning works with mined ore.

Ore haulage commenced via the public Marble Bar - Newman road to the OPF using triple-wagon road trains (77 t capacity). The private JV Haul road construction continues and once an appropriate base is constructed, haulage will commence via this route. Haulage on the private haul road will shorten the haulage distance and lessen the chance of delays due to road closures in wet weather.

Once adequate stockpiles are created at Fortescue’s Herb Elliott Port, the first shipments of ore will be loaded and exported. The NIOJV expects to commence exports during the first quarter 2011 and remains on track to have shipped 1 million tonnes of iron ore by 30 June 2011.

Approvals

The WA Department of Indigenous Affairs has approved the NIOJV’s final s.18 application for Stage 3 of the Haul Road – this allows for salvage of artefact sites along the road route if required. This is the final major State Approval required for completion of the Haul Road on the southern portion of the route.

- ENDS -

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 WA. The Company's core asset is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV will use Fortescue's infrastructure at Christmas Creek, 50km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2011 and first ore on ship is expected in the first quarter of 2011 - just over four years from listing on the ASX. The Company plans to export 1 Mt by June 2011 at which point BC Iron will be mining at a throughput of 3Mtpa.

Key Statistics

Shares on Issue: 92.5 million
Cash & equivalents: 30 November, 2010 ~\$40m

Board and Management:	Tony Kiernan	Chairman & Non-Executive Director
	Mike Young	Managing Director
	Terry Ransted	Non-Executive Director
	Steven Chadwick	Non-Executive Director
	Glenn Baldwin	Non-Executive Director
	David Coyne	Alternate Non-Executive Director
	Morgan Ball	Chief Financial Officer & Company Secretary

Major Shareholders: Consolidated Minerals: 21.1%
Regent Pacific Group: 19.9%

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on BC Iron's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of BC Iron Limited, which could cause actual results to differ materially from such statements. BC Iron Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.