

ASX RELEASE – 15 MARCH 2011

## Termination by Regent Pacific Group

**BC Iron Limited** (“**BC Iron**” or “**the Company**”) (ASX: BCI) has received written notification from **Regent Pacific Group Limited** (“**Regent Pacific**”) seeking to immediately terminate the Scheme Implementation Agreement (“**Scheme**”) following the Regent Pacific Board’s decision to withdraw its recommendation in support of the Scheme to acquire all the shares it does not already own in BC Iron.

According to the announcement that Regent Pacific has made to the Hong Kong Stock Exchange, the changed recommendation appears to be based on statements attributed to BC Iron’s major shareholder Consolidated Minerals Limited (“**Consolidated Minerals**”) contained in an internet bloggers’ site released on 13 February 2011. The blog claims Consolidated Minerals is “flatly opposed” to the Scheme. Consolidated Minerals has not commented on that claim or rebuked it. The Regent Pacific Board states in these circumstances they have to act in the best interests of their shareholders and terminate the Scheme.

As announced to ASX on 15 February 2011, BC Iron believes *“that this article is highly misleading and its credibility must be brought into question, given the large number of inaccuracies throughout the article, along with its highly speculative nature.”*

Further, as noted at the time *“The BC Iron Board confirms that it has been in recent discussions with its major shareholder Consolidated Minerals Limited regarding the Regent Pacific offer (refer ASX announcement dated 21 January 2011). However, while we can say that these discussions have been positive and constructive, we are unable to confirm the intention of Consolidated Minerals in relation to Regent Pacific Group’s takeover offer for BC Iron.”*

BC Iron has not received any further information from Consolidated Minerals on their voting intentions with respect to the Scheme.

At this stage, neither Consolidated Minerals nor any BC Iron shareholder has received the Notice of Meeting or Scheme booklet containing, *inter alia*, an Independent Expert’s Report as required for BC Iron shareholders to have sufficient information to consider and vote on the proposed Scheme.

The BC Iron Board is perplexed at the steps taken by Regent Pacific.

The Board understands that Regent Pacific took the unusual step of seeking a written undertaking from Consolidated Minerals that it would vote in favour of the Scheme even before Consolidated Minerals or any non-related shareholder had received the necessary information to consider or vote on the Scheme. Regent Pacific’s request is particularly unusual as Consolidated Minerals has yet to have the benefit of reviewing an Independent Expert’s Report as to whether, in the opinion of the Expert, the Scheme is in the best interests of shareholders.

The BC Iron Board is reserving its position and will consider this matter further.

## Operations Update

BC Iron advises that further to its ASX Announcement of 23 February 2011, the Nullagine Iron Ore Joint Venture (“**NIOJV**”) (BC Iron 50% / Fortescue Metals Group 50%) operations have recommenced at the mine site. The Company is pleased to confirm that the surface mining and crushing operations are now operating as planned and haulage via the public roads is again progressing well.

The Company confirms that it remains well on track for its production target of at least 3mt for the year ended 30 June 2012. However, due to the excessive rain in the Pilbara region, and in line with other companies in the region, the NIOJV’s target of 1mt shipped by 30 June 2011 has now been reduced to ~ 800,000t (weather permitting).

The NIOJV’s first ore sold to the market, as announced on 24 February 2011, has now reached the customer in China and sales revenue has been received. The NIOJV is expecting to send a further shipment out in March and looks forward to celebrating the official mine opening during April 2011.

**- 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, 50 km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX.

Website: [www.bcion.com.au](http://www.bcion.com.au)