

## Operations Update

Australian iron ore producer BC Iron Limited (ASX:BCI, “BC Iron”) is pleased to provide the following operations update for its Nullagine Iron Ore Joint Venture (“NIOJV”), a 50:50 joint venture between BC Iron and Fortescue Metals Group Limited (ASX:FMG, “Fortescue”).

- Commencement of 360t Powertrans pit haulers on product haulage.
- Commencement of nightshift haulage operations.
- Haulage rates forecast to exceed 10,000t per day during August.
- Two shipments totalling ~ 140,000t shipped in late July / early August.
- Finalisation of 55km private haul road.
- Total product shipped for the FY ending June 2012 to be approximately 3.5Mt.

The NIOJV operations have continued to ramp up during July and August. Step changes are occurring in the product haulage rates as the private haul road nears completion and haulage is transitioned from standard triple road trains (~110t payload) to the Powertrans pit haulers (~360t payload). This transition, as well as the commencement of haulage nightshift operations means that haulage rates in excess of 10,000t per day are expected to be achieved during August.



Figure 1: NIOJV Powertrans pit hauler at Nullagine site



**Figure 2: NIOJV Powertrans pit hauler at Fortescue's Christmas Creek site**



**Figure 3: NIOJV Powertrans pit hauler dumping Bonnie Fines at Christmas Creek**

The completion of the Fortescue outload facilities at Christmas Creek remain on track with the reclaimer scheduled to commence commissioning in October and then expected to be operational during November. At this point, the NIOJV will be able to reach production rates in excess of its interim target of 3Mtpa.

Mining and crushing continues to operate as expected with stockpiles at the mine approaching 300,000t at the end of July. The identified step change in haulage rates will quickly clear these stockpiles and it is currently planned that the crushing operation will introduce nightshift in September followed by mining nightshift during October.

With the private haul road complete to sub-grade (dirt standard), the NIOJV will run full load traffic on the road during late August / early September to allow for final engineering assessment prior to bituminising the road during late September / early October, well before the onset of the wet season in the Pilbara.

Shipping of Bonnies Fines direct ship ore is occurring regularly each month in conjunction with the Fortescue Marketing department and the NIOJV's first full cape size vessel (~170,000t) is nominally scheduled for October.

**- 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 Western Australia. The Company's core focus is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV uses Fortescue's infrastructure at Christmas Creek, 50km south of the Mine, to rail its ore to Port Hedland from where it is shipped direct 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.

### **Key Statistics**

**Shares on Issue:** 94.4 million

**Cash & equivalents:** 30 June 2011 ~\$17.5m

**Board and Management:**

Tony Kiernan	Chairman & Non-Executive Director
Mike Young	Managing Director
Terry Ransted	Non-Executive Director
Glenn Baldwin	Non-Executive Director
David Coyne	Alternate Non-Executive Director
Morgan Ball	CFO & Company Secretary

**Major Shareholders:**

Consolidated Minerals:	24.1%
Regent Pacific Group:	22.8%

Website: [bciron.com.au](http://bciron.com.au)