

NJV AWARDS ROAD HAULAGE CONTRACT

HIGHLIGHTS

- **NJV road haulage contract awarded to Qube Bulk Pty Ltd, effective 1 December 2015**
- **Expected to deliver a 30-35% decrease in total road haulage costs (inclusive of fuel and overheads)**

BC Iron Limited (ASX:BCI) (“BC Iron” or “the Company”) is pleased to advise that the Nullagine Joint Venture (“NJV”) (BC Iron 75% / Fortescue Metals Group 25%) has awarded a road haulage contract to Qube Bulk Pty Ltd, a subsidiary of Qube Holdings Limited (“Qube”). Qube is a market leader in the provision of bulk haulage services, handling more than 85 million tonnes per annum.

Qube will commence hauling product on the NJV’s private haul road on 1 December 2015, following the expiry of the existing road haulage contract. The contract with Qube has a two-year term, with an option to extend for one year at the NJV’s election.

The Qube contract delivers significant savings compared to existing road haulage activities, with the NJV’s total road haulage cost (inclusive of fuel and haulage-related overheads) expected to decrease by approximately 30-35% upon commencement of the contract.

The NJV’s C1 cash cost guidance for FY16 of A\$42-45/wmt assumed a certain level of savings would be achieved from the award of this contract, which will be slightly exceeded. BC Iron is currently considering the new contract rates, which will apply from 1 December 2015 onwards, as part of its ongoing cost management focus and will advise the market if there is any change in guidance.

BC Iron looks forward to a productive working relationship with Qube.

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FOR FURTHER INFORMATION:

MORGAN BALL / CHRIS HUNT
MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER
BC IRON LIMITED
TELEPHONE: +61 8 6311 3400

MEDIA ENQUIRIES:

DAVID TASKER / JAMES HARRIS
PROFESSIONAL PUBLIC RELATIONS
TELEPHONE: +61 8 9388 0944

ABOUT BC IRON LIMITED

BC Iron is an iron ore mining and development company with assets in the Pilbara region of Western Australia, including the Nullagine Joint Venture (“NJV”), Iron Valley and Buckland. BC Iron is listed on the ASX under the code ‘BCI’.

The NJV is an unincorporated 75:25 joint venture with Fortescue Metals Group Limited (“Fortescue”), which commenced exports in February 2011. The NJV utilises Fortescue’s infrastructure at Christmas Creek, 50km south of the Nullagine mine, to rail up to 6Mtpa of ore to Port Hedland from where it is shipped directly to customers overseas.

Iron Valley is a mine located in the Central Pilbara that is operated by Mineral Resources Limited (“MIN”) under an iron ore sale agreement. MIN operates the mine at its cost and purchases Iron Valley product from BC Iron at a price linked to MIN’s realised sale price. MIN is currently evaluating a range of initiatives that have the potential to improve the long term viability of Iron Valley and its value to both parties.

Buckland is a development project located in the West Pilbara region. It has Ore Reserves of 134.3 Mt at 57.6% Fe, a completed and announced feasibility study, its own proposed infrastructure solution comprising a haul road and transshipment port at Cape Preston East, and all primary tenure and licences secured. BC Iron is currently evaluating all options to determine the optimal development and financing path for Buckland.

BC Iron also has an interest in a number of other exploration stage projects in the Pilbara and potential royalties over the Koodaideri South and North Marillana tenements.

KEY STATISTICS

Shares on issue:	196.2 million	
Cash and cash equivalents:	A\$71.8 million	as at 30 September 2015
Board:	Tony Kiernan	Chairman and Non-Executive Director
	Morgan Ball	Managing Director
	Martin Bryant	Non-Executive Director
	Andy Haslam	Non-Executive Director
	Brian O’Donnell	Non-Executive Director
	Hayley McNamara	Company Secretary
Major shareholders:	Wroxby Pty Ltd	19.0%

Website: www.bcion.com.au