



BC IRON
LIMITED

27 November 2007

The Manager Announcements
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Dear Sir,

BC IRON ANNOUNCES \$9.18 MILLION SHARE PLACEMENT

BC Iron Limited (**ASX:BCI**) is pleased to advise that it has agreed to place 5,400,000 shares at \$1.70 per share to sophisticated and professional investors, raising \$9.18 million before costs.

Funds raised from the placement will be applied to the continuing exploration and development of the Company's 100%-owned Nullagine Iron Ore Project, located in the Pilbara region of Western Australia.

The Company is completing in-fill drilling programs on several key channel iron deposit (CID) prospects within the Nullagine Project and expects to announce an initial JORC compliant resource estimate during the March 2007 Quarter.

The placement, which is to be made pursuant to the "excluded offer" provisions of the Corporations Act, 2001, is being arranged by Cartesian Capital.

The shares issued pursuant to the placement will rank equally in all respects with the existing ordinary shares of the Company. Appendix 3B application for quotation of the new shares will be lodged once all application funds have cleared and allotment of the new shares is completed.

This announcement is that referred to on 22 November 2007 by the Company as the reason for a trading halt in its securities and subsequent suspension. The Company now requests that the suspension be lifted.

A review of the Company's activities can be seen on its website at www.bciron.com.au.

Yours faithfully,

for **BC IRON LIMITED**

Michael Young
Managing Director