

Unit 8, 8 Clive Street  
WEST PERTH WA 6005  
GPO Box 2811  
PERTH WA 6001  
Telephone: +61 8 9324 3200  
Facsimile: +61 8 9324 3111  
Email: info@bciron.com.au  
ABN: 21 120 646 924

11 April 2007

Manager Announcements  
Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir,

**Extension to the Vaalbara Heads of Agreement**

BC Iron Limited (ASX:BCI) has extended to 30 April 2007 the Heads of Agreement granted to Vaalbara Resources which expired on 31 December 2006, by Alkane Exploration Ltd, which assigned its rights to BC Iron. During December 2006, the agreement was extended by Letter Agreement until March 31, 2007.

The Agreement is detailed in the Solicitor's Report on Tenements in the BC Iron Limited Prospectus dated 8 November 2006.

Yours faithfully,  
for **BC IRON LIMITED**



Mike Young  
**Managing Director**