



BC IRON LIMITED

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BC Iron announces A\$22 Million Capital Raising

BC Iron Limited (ASX:BCI) (BC Iron), an Australian-based iron ore exploration and mine development company, is pleased to announce a \$22 million capital raising by a combination of institutional placement and underwritten entitlements issue.

Details of the Placement

BC Iron has agreed to place 8.5 million new shares to institutional and sophisticated investors at \$1.10 per share to raise \$9.4 million (Placement). The placement is being made to clients of Argonaut Securities Pty Limited.

Settlement of the Placement is scheduled to take place on 26 June 2009, with quotation of those shares on ASX anticipated to occur on or about 29 June 2009.

Entitlements Issue

BC Iron will also undertake a non renounceable Entitlements Issue to eligible shareholders of 11.46 million new Shares on the basis of one (1) new Share for every six (6) shares held on the Record Date at \$1.10 per share to raise an additional \$12.6 million. Investors in the Placement are entitled to participate in the Entitlements Issue. The Entitlements Issue is being underwritten by Argonaut Capital Limited.

The offer will be available to eligible shareholders with the record date for determining entitlements expected to be 5.00pm AWST on 3 July 2009. An indicative timetable for the Entitlements Issue is appended.

Cornerstone Investor

The Board of BC Iron is pleased to welcome Regent Pacific Group Limited ("Regent Pacific") as a cornerstone investor to the Placement and Entitlements Issue providing strong support for the raising. Regent Pacific is expected to subscribe for at least 6 million shares (A\$6.6 million) which will result in a holding of approximately 7.5% of the expanded post raising capital of BC Iron. In the event that Regent Pacific is allotted less than 6 million shares under the Placement and Entitlements Issue, BC Iron has agreed to place additional new shares to Regent Pacific to ensure that they receive a minimum of 6 million shares.

Regent Pacific is a Hong Kong listed, diversified mining company with interests in copper, zinc and gold, together with various interests in thermal coal assets in Asia, principally China. In addition, Regent Pacific holds several interests in listed companies including more than 3% in Kalahari Minerals plc, an approximate 4.7% interest in Polo Resources Limited and more than 5% in Bannerman Resources Limited.

Use of funds and update of activities

BC Iron will raise a total of A\$22 million before fees and costs from the Placement and Entitlements Issue. BC Iron plans to use the net proceeds for their share of the capital development costs for the Nullagine Joint Venture, working capital and general corporate purposes. BCI will manage the joint venture with initial production of 1.5Mtpa expected to commence in 2010 with the aim to increase production to 3Mtpa upon completion and commissioning of a dedicated haulage road from the mine to a nominated project stock pile. FMG's wholly owned subsidiary The Pilbara Infrastructure (TPI) will manage and provide all rail, haulage, port handling and ship loading services for the joint venture.

Other Information on the Placement

- The shares issued pursuant to the Placement will carry standard rights applicable to ordinary shares in BC Iron and will, from the date of issue, rank equally with fully paid ordinary shares currently on issue.
- The Placement will be made to a range of investors without disclosure in accordance with section 708 of the Corporations Act 2001 (Cth).
- The Company will not seek shareholder approval prior to the issue of the shares and options, and will rely on its 15% placement capacity under Listing Rule 7.1.

PROPOSED TIMETABLE

	Friday, 19 June	Trading re-commences.
	Wednesday, 24 June	Prospectus lodged at ASIC and ASX.
	Friday, 26 June	Settlement of Placement. Notice sent to shareholders containing information required by Appendix 3B.
	Monday, 29 June	“Ex” date. Issue of New Shares under the Placement bookbuild, and normal trading of those shares expected to commence on ASX.
	Friday, 3 July	Record Date to determine entitlements under the Retail Offer.
	Monday, 6 July	Prospectus and Entitlement and Acceptance Form despatched.
	Monday, 20 July	Closing date for acceptances under the Retail Offer
	Tuesday, 21 July	New Shares quoted on a deferred settlement basis Company notifies ASX of undersubscriptions in Retail Offer
	Friday, 24 July	Expected allotment of New Share and despatch of shareholder statements.
	Monday, 27 July	Trading of New Shares expected to commence