

ASX RELEASE – 5 JULY 2010



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NULLAGINE IRON ORE JV – FINAL PROJECT FUNDING INSTALMENT RECEIVED

The Nullagine Iron Ore Joint Venture (BC Iron 50% / Fortescue Metals Group 50%) is pleased to confirm that it has today received the **US\$20 million** final instalment of funding under the US\$50 million funding facility with Henghou Industries (Hong Kong) Limited.

This third and final instalment follows the announcements on 17 December 2009 and 3 February 2010 which confirmed receipt of the first two tranches of funding amounting to US\$30 million. These funds are being applied to project development activities as the Project progresses towards production in the second half of 2010.

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About BC Iron Limited

BC Iron Limited (ASX: BCI) is an emerging iron ore producer focused on Western Australia's world-class Pilbara region. The Company's core asset is the Nullagine Iron Ore Project, an extensive tenement portfolio which is strategically located 140km north of Newman proximal to Fortescue Metals' Chichester operation.

The Company has entered into a 50/50 Joint Venture with FMG who will provide port and rail infrastructure access for the life of the mining operation.

BC Iron's competitive advantage is that the Nullagine DSO comprises an outcropping, low contaminant "first grade" sinter feed that is very attractive to steel producers.