

ASX RELEASE – 10 NOVEMBER 2010

BC IRON TO RAISE \$18.4 MILLION FROM PLACEMENT

Australian iron ore company **BC Iron Limited (ASX: BCI)** (“**BC Iron**”) is pleased to announce that it has received irrevocable commitments from institutional and sophisticated investors to subscribe for 8 million shares at \$2.30 per share to raise gross proceeds of \$18.4 million (“**Placement**”).

The Board of BC Iron is delighted with the ongoing support from existing shareholders and is pleased to welcome a number of new institutional shareholders on to its register. The issue price under the Placement represents a 3.45% discount to the volume weighted average price (“**VWAP**”) for the last five day period of trading on ASX.

Argonaut Securities Pty Limited acted as Lead Manager to the Placement.

Use of Funds

Funds raised under the Placement will be used for working capital, be available for contingency purposes in the event of weather delays and for further development of the Nullagine Iron Ore Project (“**NIOP**”). The NIOP is a 50/50 Joint Venture (“**NIOJV**”) with Fortescue Metals Group (“**FMG**”).

Two Tranche Placement

The Placement will be made in two tranches:

- Tranche One comprising the placement of 4 million shares to raise \$9.2 million, to be issued under the Company’s 15% capacity under ASX Limited Listing Rule 7.1; and
- Tranche Two comprising the placement of 4 million shares to raise \$9.2 million, subject to shareholder approval at a general meeting to be held on or around Friday, 17 December 2010.

The new shares will rank equally with existing fully paid ordinary shares.

NIOJV - Project Update

Managing Director of BC Iron, Mike Young commented, "The Project remains on track for our target of 1 million tonnes shipped by 30 June 2011. All key items of plant and equipment are now at site and mining has commenced at the Outcamp deposit. The private haul road to FMG's Christmas Creek operation is progressing well and FMG are preparing to take delivery of the first ore from the Project at Christmas Creek later this month."

"This capital raising continues the Board's strategic approach of thinking ahead to manage all aspects of the Project and ensuring that it remains on track and according to plan."

- ENDS -

RELEASED BY:

MIKE YOUNG / MORGAN BALL

MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

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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.

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on BC Iron's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of BC Iron Limited, which could cause actual results to differ materially from such statements. BC Iron Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.