

ASX RELEASE – 6 DECEMBER 2010

Clarification of Media Comment

The Australian Financial Review carried an article on Wednesday, 1 December which referred to a Term Sheet for rail and port access between BC Iron and Fortescue Metals Group (“FMG”). The article referred to a more formal agreement to be executed.

BC Iron would like to make it clear that the Term Sheet with FMG in relation to rail & port access contains all material commercial and operational terms, is legally binding and in full force and effect and already being operated to by both BC Iron and FMG. The final agreement will merely be more prescriptive in operational and procedural issues.

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RELEASED BY:

MIKE YOUNG / MORGAN BALL

MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

BC IRON LIMITED TELEPHONE: +61 8 6311 3400

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.