

**ASX RELEASE – 22 MARCH 2011**

## **Scheme Implementation Agreement**

As announced earlier today, **BC Iron Limited** (“**BC Iron**” or the “**Company**”) (ASX: BCI) has lodged an application with the Takeovers Panel to challenge the validity of Regent Pacific Group Limited's (“**Regent Pacific**”) purported termination of the Scheme Implementation Agreement (“**SIA**”) between the parties.

In light of this application, and following discussions with ASX, the Company considers it appropriate to disclose a full copy of the SIA which is attached to this announcement.

It was always the Company's intention that a full copy of the SIA should be included as part of the Scheme Booklet that was to have been sent to the Company's shareholders. The Scheme Booklet was in the process of being finalised when Regent Pacific purported to terminate the SIA.

**- ENDS -**

**FOR FURTHER INFORMATION:**

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### **About BC Iron Limited**

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of WA. The Company's core asset is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV will use Fortescue's infrastructure at Christmas Creek, 50 km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX.

Website: [www.bcion.com.au](http://www.bcion.com.au)

CLAYTON UTZ

FINAL

## Scheme Implementation Agreement

BC Iron Limited  
BC Iron

Regent Pacific Group Limited  
Regent Pacific

Regent Pilbara Pty Limited  
BidCo

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Legal\303175217.1

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## Scheme Implementation Agreement dated

January 2011

- Parties**
- BC Iron Limited ABN 21 120 646 924 of Level 1, 15 Rheola Street, West Perth, Western Australia, 6005 (BC Iron)
- Regent Pacific Group Limited, a company existing under the laws of the Cayman Islands, of P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies (Regent Pacific)
- Regent Pilbara Pty Limited ACN 147 787 380 of c/- Level 27, QV.1, 250 St Georges Terrace, Perth, Western Australia (BidCo)

### Background

- A. Regent Pacific proposes to acquire BC Iron by Regent Pacific acquiring (through BidCo) all of the Scheme Shares for the Scheme Consideration pursuant to a scheme of arrangement under section 411 of the Corporations Act.
- B. BC Iron has agreed to propose the Scheme and issue the Explanatory Memorandum at the request of Regent Pacific, and BC Iron and Regent Pacific have agreed to implement the Scheme on the terms and conditions of this agreement.
- C. Regent Pacific has agreed to seek approval from Regent Pacific Shareholders for the Regent Pacific Shareholder Resolutions.

### Operative provisions

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## 1. Definitions and interpretations

### 1.1 Definitions

In this agreement:

**Affected Optionholder** means a holder of Affected Options.

**Affected Option** means a BC Iron Option that includes a term of issue to the effect that it will automatically lapse on a specified day following the issue or despatch by BC Iron of the notice convening the Scheme Meeting, such BC Iron Options being identified in Schedule 4.

**Announcement** means an announcement in respect of the transactions contemplated by this agreement, being:

- (a) in respect of the announcement to be made to the ASX by BC Iron, in the form agreed by the parties; and
- (b) in respect of the announcement to be made to the HKSE by Regent Pacific, in the form prescribed by Chapter 14 of the HKSE Rules.

**Applications** means the applications for tenements under the Mining Act, specified in Schedule 5.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** means the official listing rules of ASX.

**BC Iron Board** means the board of directors of BC Iron.

**BC Iron Circular Information** means all information regarding BC Iron and its Related Bodies Corporate that is required by all HK Securities Laws to be included or incorporated by reference in the Circular, including all required financial statements prepared in accordance therewith.

**BC Iron Director** means a director of BC Iron.

**BC Iron EM Information** means all information included in the Explanatory Memorandum, other than the Regent Pacific EM Information and the Independent Expert's Report.

**BC Iron Group** means BC Iron and each of its Subsidiaries.

**BC Iron Optionholder** means each holder of a BC Iron Option.

**BC Iron Options** means the options to subscribe for BC Iron Shares outstanding as at the date of this agreement, described in Schedule 4 under the heading "BC Iron Options".

**BC Iron Share** means a fully paid ordinary share in the capital of BC Iron.

**BC Iron Share Register** means the register of members of BC Iron maintained by or on behalf of BC Iron in accordance with section 168(1) of the Corporations Act.

**BC Iron Warranties** means the representations and warranties made by BC Iron in clause 14.3.

**Break Fee** means:

- (a) in respect of a payment to Regent Pacific pursuant to clause 12.2, A\$3,275,196; and
- (b) in respect of a payment to BC Iron pursuant to clause 12.3, A\$500,000,

and **Break Fees** means both of these amounts.

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Hong Kong are open for business.

**Circular** means the "Very Substantial Acquisition" shareholders circular to be prepared by Regent Pacific pursuant to Chapter 14 of the HKSE Rules in respect of the Regent Pacific Shareholder Resolutions in accordance with the terms of this agreement and to be despatched to Regent Pacific Shareholders, and includes the notice of meeting, proxy form and voting instruction form to be delivered to Regent Pacific Shareholders together with such shareholder circular.

**Circular Experts** means the experts engaged by Regent Pacific to prepare the Circular Reports, being:

- (a) Snowden, in respect of the competent person's report and valuation report required under Chapters 14 and 18 of the HKSE Rules;
- (b) BDO, in respect of the accountant's report required under Chapters 14 and 18 of the HKSE Rules; and
- (c) Jones Lang LaSalle Sallmans, in respect of the property valuation report required under Chapters 14 and 15 of the HKSE Rules.

**Circular Reports** means the competent person's report, valuation report, accountant's report and property valuation report to be prepared for the purposes of the HKSE Rules which are required for inclusion in the Circular, and any updates to such reports that the Circular Experts may issue.

**Competing Proposal** means a transaction or arrangement pursuant to which (other than as contemplated pursuant to this agreement) a Third Party will, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a majority of the business of the BC Iron Group;
- (b) acquire a Relevant Interest in any BC Iron Shares, as a result of which the Third Party will have a Relevant Interest in 50% or more of the BC Iron Shares;
- (c) otherwise acquire control of BC Iron or the BC Iron Group within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise acquire or merge with BC Iron,

whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the BC Iron Group or other synthetic merger or any other transaction or arrangement.

**Condition** means a condition to the Scheme set out in clause 3.1.

**Confidentiality Agreement** means the exclusivity and confidentiality agreement entered into by Regent Pacific and BC Iron and dated 13 December 2010.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as BC Iron and Regent Pacific agree in writing.

**Deed Poll** means a deed poll to be executed by BidCo in favour of Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as BC Iron and Regent Pacific agree in writing.

**Disclosure Materials** means:

- (a) all material released by BC Iron to ASX on the Company Announcements Platform prior to the date of this agreement; and
- (b) all written material provided by BC Iron or its Representatives to Regent Pacific or its Representatives, including by way of electronic data room, prior to the date of this agreement.

**Effective** means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered.



**End Date** means 31 July 2011 or such later date agreed by the parties in writing.

**Excluded Shares** means any BC Iron Shares held by, or by any person on behalf of or for the benefit of, Regent Pacific or its Related Bodies Corporate.

**Exclusivity Period** means the period commencing on the date of this agreement and ending on the earlier of:

- (a) the date this agreement is lawfully terminated in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by BC Iron in respect of the Scheme in accordance with the terms of this agreement and to be despatched to BC Iron Shareholders.

**Finance Condition** means the Condition set out in clause 3.1(l).

**Finance Documents** means the binding mandate letter and term sheet executed on an even date herewith between Standard Chartered Bank (Hong Kong) Limited and Regent Pacific, a copy of which has been provided to BC Iron, and any long form documents executed pursuant to those documents.

**First Court Date** means the first day of hearing of an application made to the Court for orders pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Group** means, in respect of a party, that party and its Subsidiaries.

**Heads of OHPS Agreement** means the ore haulage and port services agreement between The Pilbara Infrastructure Pty Ltd (ABN 52 103 096 340), as provider, BC Iron Nullagine Pty Ltd (ABN 26 137 224 849) and FMG Pilbara Pty Ltd (ABN 29 106 943 828) as joint venture participants, and BC Iron as guarantor, in relation to the transport of product and the loading of the same onto ships berthed at the Port Headland Port for a price per tonne of product, the terms of which were recorded in a term sheet dated 4 June 2009.

**HKSE** means The Stock Exchange of Hong Kong Limited.

**HKSE Rules** means the Rules Governing the Listing of Securities on HKSE.

**HK Securities Laws** means all applicable Hong Kong securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof.

**Implementation Date** means the date which is five Business Days after the Record Date or such other date as BC Iron and Regent Pacific agree in writing.

**Independent Expert** means the independent expert to be engaged by BC Iron to express an opinion on whether the Scheme is in the best interests of BC Iron Shareholders.

**Independent Expert's Report** means the report from the Independent Expert for inclusion in the Explanatory Memorandum, and any updates to such report that the Independent Expert issues.

**Material Adverse Change** means any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has (or would be likely to have) a material adverse effect on the business, properties, financial condition, results, operations or prospects of the BC Iron Group (taken as a whole), including, without limitation:

- (a) any creditor lawfully demanding repayment of a debt of A\$2 million or more; or
- (b) any event, occurrence or matter which individually or when aggregated with all such events, occurrences or matters of a like kind or category, diminishes (or would be likely to diminish) the consolidated net assets of the BC Iron Group by A\$10 million or more (except where such diminution of such consolidated net assets is a result of fluctuations in the value of the iron ore stockpile of the BC Iron Group),

but excluding the announcement, proposal or introduction of any taxation law or policy by the Australian federal Government in the nature of a "Mineral Resources Rent Tax" on terms consistent, in all material respects, with the terms generally and publicly known as at the date of this agreement.

**Material Adverse Matter** means any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category which has occurred but is not in the public domain at the date of this agreement or has not been disclosed to Regent Pacific before the date of this agreement and which had it occurred after the date of this agreement would have been a Material Adverse Change.

**Mining Act** means the Mining Act 1978 (WA).

**Option Acquisition Agreement** means an agreement between BidCo and a BC Iron Optionholder under which BidCo agrees to purchase all of that BC Iron Optionholder's BC Iron Options, or the BC Iron Optionholder agrees to procure or allow the cancellation of the BC Iron Options, in either case in exchange for the payment of the applicable Option Consideration, such agreement to be subject to the Scheme becoming Effective.

**Option Consideration** means, in respect of a BC Iron Option, the Scheme Consideration in cash less the exercise price of that BC Iron Option, as set out in Schedule 4.

**Option Consideration Agreement** means an agreement between BidCo, BC Iron and an Affected Optionholder under which:

- (a) BidCo agrees to pay the applicable Option Consideration to the Affected Optionholder on the Implementation Date, subject to the Affected Options having lapsed without being exercised and to the Scheme becoming Effective; and
- (b) BC Iron agrees to grant options to subscribe for BC Iron Shares to the Affected Optionholder on the same terms as the Affected Options if the Scheme does not become Effective before the termination of this agreement.

**Option Deadline** means the date that is 10 Business Days following the date of this agreement.

**Permitted Event** means an event set out in Part C of Schedule 3.

**Record Date** means the date which is five Business Days after the Effective Date.

**Regent Pacific Board** means the board of directors of Regent Pacific.

**Regent Pacific Circular Information** means all information included in the Circular, other than the BC Iron Circular Information.

**Regent Pacific Director** means a director of Regent Pacific.

**Regent Pacific EM Information** means all information regarding Regent Pacific and its Related Bodies Corporate and the Scheme Consideration that is required by all applicable Australian laws, the ASX Listing Rules and the Regulatory Guides to be included in the Explanatory Memorandum (and any other information regarding Regent Pacific that BC Iron or any of its Representatives reasonably requests) including all the information that would be required:

- (a) under section 636(1)(c), (f), (h), (i), (l) and (m) of the Corporations Act to be included in a bidder's statement if Regent Pacific were offering the Scheme Consideration as consideration under a takeover bid; and
- (b) to ensure the Explanatory Memorandum complies with the requirements of section 411(3) of the Corporations Act.

**Regent Pacific Group** means Regent Pacific and each of its Subsidiaries.

**Regent Pacific Shareholder** means each person who is registered as a holder of a share in the capital of Regent Pacific.

**Regent Pacific Shareholder Resolutions** means such ordinary resolutions (unless specified to the contrary) of Regent Pacific Shareholders as may be necessary to approve:

- (a) the execution of this agreement and the implementation of the matters contemplated herein, including the Scheme; and
- (b) such other matters as may be requested by the HKSE under the HKSE Rules or otherwise.

**Regent Pacific Warranties** means the representations and warranties made by Regent Pacific in clause 14.1.

**Regulated Event** means the occurrence of any of the events set out in Part B of Schedule 3, other than as required to be undertaken or procured by the BC Iron Group pursuant to this agreement or the Scheme so as to comply with the provisions of this agreement or the Scheme, and provided that a Regulated Event will not include a matter:

- (a) which is a Permitted Event;
- (b) required to be done or procured by BC Iron pursuant to this agreement or the Scheme so as to comply with the provisions of this agreement or the Scheme;
- (c) which BC Iron is permitted to do, or not to do, under clause 11.6 whilst the Exclusivity Period continues;
- (d) in relation to which Regent Pacific has expressly consented in writing, such consent not to be unreasonably withheld or delayed; or
- (e) fully and fairly disclosed in the Disclosure Materials or which has been expressly and explicitly announced by BC Iron on ASX in sufficient detail so as to enable a reasonable person to understand the contents of the particular matter in question, in each case prior to the date of this agreement.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and HKSE.

**Regulatory Conditions** means in relation to the Share Scheme, the Conditions set out in clauses 3.1(f), 3.1(g), 3.1(h), 3.1(i), and 3.1(j); and

**Regulatory Guides** means all regulatory guides published by ASIC and in force at the date of this agreement.

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

**Relevant Interest** has the meaning given in section 9 of the Corporations Act.

**Representative** means, in respect of a party, its Related Bodies Corporate and each director, officer, employee, advisor, agent or representative of that party and its Related Bodies Corporate.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between BC Iron and the Scheme Shareholders, substantially in the form set out in Annexure A or in such other form as BC Iron and Regent Pacific agree in writing, pursuant to which all Scheme Shares will be transferred to BidCo on the Implementation Date.

**Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of the Scheme, being A\$3.30 cash for every one Scheme Share.

**Scheme Meeting** means the meeting to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Share** means each BC Iron Share on issue at 5.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person who is registered in the BC Iron Share Register as a holder of a Scheme Share.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Stock Exchange** means ASX and/or HKSE, as the context requires.

**Subsidiary** means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

**Superior Proposal** means a Competing Proposal which:

- (a) in the determination of the BC Iron Board acting in good faith, is reasonably capable of being completed without undue delay, taking into account both the nature of the Competing Proposal and the person or persons making it; and

- (b) in the determination of the BC Iron Board acting in good faith, after receiving the advice of its external legal and financial advisers, would, if completed substantially in accordance with its terms, result in a transaction more favourable to the BC Iron Shareholders.

**Tenements** means the tenements (granted under the Mining Act) which are identified in Schedule 5 and any tenement applied for or granted in renewal or extension of any such tenement or in substitution for any such tenement (excluding, for the avoidance of doubt, the Applications but including any tenements granted pursuant to the Applications).

**Third Party** means a person who is neither a party to this agreement, nor any Related Body Corporate of a party to this agreement, including without limitation any individual, corporation, partnership, party, trust, fund, association and or other organised group of persons or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding which is not a party to this agreement.

**Timetable** means the indicative timetable in relation to the Scheme and the Regent Pacific Shareholder Resolutions set out in Schedule 1, or such other indicative timetable as may be agreed in writing by the parties.

## 1.2 Interpretation

In this agreement headings and words in bold are for convenience only and do not affect the interpretation of this agreement and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word indicating a gender includes every other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (i) a reference to a **liability** incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether

present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person;

- (j) a reference to a loss incurred by any person includes any loss, liability, damage, cost, charge, expense which the person pays, incurs or is liable for and any other diminution of value of any description which the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all legal expenses (on a full indemnity basis without necessity of taxation) and other expenses in connection with investigating or defending any claim, action, demand or proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such claims;
- (k) a reference to any time is a reference to that time in Perth, Australia;
- (l) a reference to **A\$** or **dollar** is to Australian currency;
- (m) this agreement must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (n) references to the knowledge, belief or awareness of BC Iron (or similar phrases) shall include the actual or constructive knowledge of the BC Iron Board, Blair Duncan, Morgan Ball and Greg Hudson, and the knowledge that each of them would have had upon making due, reasonable and careful enquiries.

### **1.3 Business Day**

Except where otherwise expressly provided, where under this agreement the day on which any act, matter or thing is to be done is a day other than a Business Day, such act matter or thing shall be done on the immediately following Business Day.

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## **2. Obligations in relation to Scheme**

### **2.1 BC Iron to propose Scheme**

BC Iron agrees to propose and (subject to it becoming Effective) implement the Scheme on and subject to the terms and conditions of this agreement.

### **2.2 Scheme Consideration**

Regent Pacific covenants in favour of BC Iron that in consideration for the transfer to BidCo of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Regent Pacific will, subject to the Scheme becoming Effective, pay the Scheme Consideration in accordance with the terms of the Scheme, the Deed Poll and this agreement.

### **2.3 Timetable**

Each party agrees to use its best endeavours to complete its obligations under this agreement substantially in accordance with the Timetable.

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## **3. Conditions to Scheme**

### **3.1 Conditions**

The Scheme will not become Effective until each of the following conditions has been fulfilled or waived in accordance with clause 3.5:

- (a) no Material Adverse Change occurs or becomes known to Regent Pacific, and no Material Adverse Matter in respect of BC Iron becomes known to Regent Pacific, after the date of this agreement and before 8.00 am on the Second Court Date;
- (b) no Regulated Event occurs or becomes known to Regent Pacific after the date of this agreement and before 8.00 am on the Second Court Date;
- (c) the BC Iron Warranties are true and correct in all material respects on the date of this agreement and as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);
- (d) the Regent Pacific Warranties are true and correct in all material respects on the date of this agreement and as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);
- (e) the Independent Expert issues the Independent Expert's Report which concludes that the Scheme is in the best interests of BC Iron Shareholders before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act and the Independent Expert does not change that conclusion or withdraw its report prior to 8.00 am on the Second Court Date;
- (f) BC Iron Shareholders approve the Scheme by the majorities required under section 411(4)(a) of the Corporations Act in relation to the Scheme Meeting convened by the Court;
- (g) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (h) the Treasurer of the Commonwealth of Australia has either:
  - (i) provided written notice which is unconditional or subject only to conditions reasonably acceptable to both Regent Pacific and BC Iron that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investment policy to the Scheme; or
  - (ii) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Scheme;
- (i) before 8.00 am on the Second Court Date, ASIC has issued or provided such consents, waivers or approvals or done such other things as are reasonably necessary to implement the Scheme;
- (j) Regent Pacific Shareholders approve the Regent Pacific Shareholder Resolutions by the requisite majorities;
- (k) before 8.00 am on the Second Court Date, the S&P/ASX 300 Index does not close at less than 85% of the value of the S&P/ASX 300 Index as at the date of this agreement for a period of three or more consecutive trading days;
- (l) as at 8.00 am on the Second Court Date, financial accommodation in favour of Regent Pacific on the terms set out in the Finance Documents continuing to be available;
- (m) no Regulatory Authority has:

- (i) undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Scheme which remain in effect as at 8.00 am on the Second Court Date;
  - (ii) issued an order, decree or ruling prohibiting or imposing adverse conditions on or otherwise preventing completion of the Scheme which remains in effect as at 8:00 am on the Second Court Date; or
  - (iii) declined to issue an order, decree, ruling, notification or communication by 8.00 am on the Second Court Date that is required for the Scheme to be implemented in accordance with this agreement; and
- (n) all Affected Options have lapsed, been exercised or are the subject of an Option Consideration Agreement which has been duly executed by the Affected Optionholder and BC Iron, in all cases prior to the date of the Scheme Meeting.

### **3.2 General obligations in relation to Conditions**

Without prejudice to any other obligations of the parties under this agreement:

- (a) BC Iron must use its best endeavours to ensure that the Conditions set out in clauses 3.1(a) and 3.1(b) continue to be satisfied at all times until 8.00 am on the Second Court Date and that the Condition set out in clause 3.1(c) is satisfied as at the times set out in that clause;
- (b) Regent Pacific must use its best endeavours to ensure that the Condition set out clause 3.1(d) is satisfied at the times set out in that clause and, in respect of the Condition set out in clause 3.1(I), Regent shall keep BC Iron appraised of progress and material developments in respect of its continued satisfaction;
- (c) all parties must use their best endeavours to ensure (including by way of the timely provision of information) that the Independent Expert's Report is completed before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act; and
- (d) no party shall take any action that will or is likely to hinder or prevent the satisfaction of any Condition except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this agreement or is required by law.

### **3.3 Obligations in relation to Regulatory Conditions**

Each party must use its best endeavours to ensure that the Regulatory Conditions are satisfied as soon as practicable after the date of this agreement and in particular BC Iron and Regent Pacific must each, as soon as practicable after the date of this agreement, file or cause to be filed with each relevant Regulatory Authority any notifications required with regard to the transactions contemplated by the Scheme.

### **3.4 Notice in relation to satisfaction of Conditions**

Each party must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its material progress towards satisfaction of the Conditions; and
- (b) in relation to any Condition notify the other party in writing upon becoming aware of:



- (i) the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence the Condition has been satisfied; and
- (ii) any fact or circumstance which results in that Condition becoming incapable of satisfaction or may result in that Condition not being satisfied in accordance with its terms.

### 3.5 Benefit and waiver of Conditions

- (a) The Condition to the Scheme in clause 3.1(d) is for the sole benefit of BC Iron and any breach or non-fulfilment of those conditions may only be waived by BC Iron by notice in writing to Regent Pacific.
- (b) The Conditions to the Scheme in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(k) and 3.1(n) are for the sole benefit of Regent Pacific and any breach or non-fulfilment of those Conditions may only be waived by Regent Pacific by notice in writing to BC Iron.
- (c) The Conditions to the Scheme in clauses 3.1(e), 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(j), 3.1(l) and 3.1(m) are for the benefit of all parties and may not be waived.
- (d) A party entitled to waive a Condition under this clause 3.5 may do so in its absolute discretion.
- (e) If a waiver by a party of a Condition is itself expressed to be conditional and the other party does not accept the conditions thereto, the relevant Condition has not been waived.
- (f) If a party waives the breach or non-fulfilment of any of the Conditions, that waiver will preclude it from suing the other party for any breach of this agreement that resulted from the breach or non-fulfilment of the Condition that was waived or arising from the same event which gave rise to the breach or non-fulfilment of the condition.
- (g) Unless expressed as such in the waiver, waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
  - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
  - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.
- (h) Any waiver must be in writing.

### 3.6 Failure of Conditions

- (a) If any Condition that is stated in clause 3.5 to be for the benefit of a party (in this clause 3.6, **first party**) (whether or not the Condition is also stated to be for the benefit of the other party):
  - (i) becomes incapable of satisfaction; or
  - (ii) has not been satisfied or waived in accordance with clause 3.5 before the End Date,

the first party may serve notice on the other party requiring it to consult in good faith with a view to extending the date for satisfaction of the relevant Condition, or adjourning or changing the date of the application to the Court for an order pursuant

to section 411(4)(b) of the Corporations Act or determining whether the Scheme or a transaction which results in a merger of Regent Pacific and BC Iron may proceed by way of an alternative approach and if so, to agree on the terms of such alternative approach.

- (b) If the parties are unable to reach agreement under clause 3.6(a) within 5 Business Days after the delivery of the notice under that clause, or no such notice is given within 5 Business Days of such notice first being capable of being delivered, the first party may terminate this agreement by notice in writing to the other party provided that the first party shall not be permitted to terminate this agreement in respect of the relevant Condition becoming incapable of satisfaction, or not being satisfied before the End Date, if a failure by such party to comply with its obligations under this agreement directly and materially contributed to the relevant Condition becoming incapable of satisfaction, or not being satisfied before the End Date.

### **3.7 Certificate**

BC Iron (and, if necessary for the Scheme to proceed, Regent Pacific) must provide to the Court at the Second Court Hearing a certificate confirming that all Conditions (other than the Conditions referred to in clause 3.1(g)) have been satisfied or waived in accordance with the terms of this agreement.

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## **4. Implementation of Scheme**

### **4.1 BC Iron's obligations in respect of the Scheme**

BC Iron must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this agreement and so as to complete the transaction substantially in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith), and in particular BC Iron must:

- (a) prepare the Explanatory Memorandum in accordance with the requirements of all applicable laws, the ASX Listing Rules and the Regulatory Guides, provide a draft to Regent Pacific and provide Regent Pacific with a reasonable opportunity to provide suggested amendments to that draft prior to the provision of a draft to ASIC under clause 4.1(c)(i) and if such suggested amendments relate to the Regent Pacific EM Information, BC Iron must consider in good faith such suggested amendments unless such suggested amendments would render the Explanatory Memorandum misleading or deceptive or create a material omission;
- (b) promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (c) as soon as reasonably practicable but no later than 14 days before the First Court Date provide an advanced draft of the Explanatory Memorandum:
  - (i) to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
  - (ii) to Regent Pacific;
- (d) apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

- (e) provided that the confirmation referred to in clause 4.2(d)(i) has been received, lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for an order under section 411(1) of the Corporations Act directing BC Iron to convene the Scheme Meeting;
- (f) if required, request ASIC to register the explanatory statement included in the Explanatory Memorandum in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (g) take all steps necessary to comply with the orders of the Court including, as required, dispatching the Explanatory Memorandum to the BC Iron Shareholders and convening and holding the Scheme Meeting;
- (h) if the resolution submitted to the Scheme Meeting in relation to the Scheme is passed by the majorities required under section 411(4)(a) of the Corporations Act, apply to the Court for orders approving the Scheme;
- (i) if the Scheme is approved by the Court:
  - (i) promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
  - (ii) close the BC Iron Share Register as at 5.00 pm on the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and provide such information to Regent Pacific (or its share registry) in such form as Regent Pacific may reasonably require to facilitate the payment of the Scheme Consideration;
  - (iii) promptly register all transfers of Scheme Shares to BidCo in accordance with the Scheme;
  - (iv) take all reasonable steps to maintain BC Iron's listing on ASX, notwithstanding any suspension of the quotation of BC Iron Shares, up to and including the Implementation Date, including making appropriate applications to ASX; and
  - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (j) from the First Court Date until the Implementation Date, promptly inform Regent Pacific if it becomes aware that the Explanatory Memorandum contains a statement which is misleading or deceptive in a material respect or contains a material omission; and
- (k) if requested by Regent Pacific, on the day of and prior to the Scheme Meeting, give to Regent Pacific a certificate confirming that there is no circumstance known to BC Iron that will cause any of the BC Iron Warranties not to be true and correct in all material respects as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date).

#### **4.2 Regent Pacific's obligations in respect of the Scheme**

Regent Pacific must take all steps reasonably necessary to assist BC Iron to implement the Scheme as soon as is reasonably practicable and so as to complete the transaction substantially in accordance with the Timetable and in particular Regent Pacific must:

- (a) provide to BC Iron the Regent Pacific EM Information requested by BC Iron in a form specified by BC Iron as appropriate for inclusion in the Explanatory Memorandum (including, subject to clauses 4.1(a) and 4.2(d), consenting to the form and context in which the Regent Pacific EM Information appears in the Explanatory Memorandum in reasonable time to allow BC Iron to prepare the final form of the Explanatory Memorandum in accordance with this agreement);
- (b) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (c) as soon as reasonably practicable after receipt from BC Iron of a draft of the Explanatory Memorandum in accordance with clause 4.1(a), provide any suggested changes to the Regent Pacific EM Information in that draft;
- (d) as soon as reasonably practicable after receipt from BC Iron of the draft of the Explanatory Memorandum provided in accordance with clause 4.1(c), either:
  - (i) confirm in writing to BC Iron that the Regent Pacific EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission; or
  - (ii) provide to BC Iron the changes required to ensure that the Regent Pacific EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive and does not contain any material omission;
- (e) provide to BC Iron all such further or new information of which Regent Pacific becomes aware after the First Court Date until the Implementation Date that is required to ensure that the Regent Pacific EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
- (f) prior to the First Court Date, enter into (and procure that BidCo enters into) the Deed Poll and deliver an executed version to BC Iron;
- (g) procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, Regent Pacific and BidCo will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement, the Scheme;
- (h) if the Scheme becomes Effective:
  - (i) procure that BidCo accepts a transfer of all Scheme Shares in accordance with the Scheme; and
  - (ii) pay, or cause to be paid, the Scheme Consideration on the Implementation Date in accordance with the Scheme; and
- (i) if requested by BC Iron, on the day of and prior to the Scheme Meeting, give to BC Iron a certificate confirming that there is no circumstance known to Regent Pacific that will cause any of the Regent Pacific Warranties not to be true and correct in all material respects as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date).

### 4.3 Scheme Consideration

Regent Pacific agrees (and covenants in favour of BC Iron) that, subject to the Scheme becoming Effective, in consideration of the transfer to BidCo of each Scheme Share held by a Scheme Shareholder under the Scheme, Regent Pacific will pay or cause to be paid the Scheme Consideration on the Implementation Date in accordance with the Scheme.

### 4.4 Independent Expert's Report

In respect of the preparation of the Independent Expert's Report, BC Iron agrees to:

- (a) allow Regent Pacific reasonable access to the Independent Expert upon reasonable notice given by Regent Pacific to BC Iron, subject to:
  - (i) BC Iron and its Representatives being entitled to be present at all discussions or meetings with the Independent Expert; and
  - (ii) the preservation of the independence of the Independent Expert in the context of applicable Regulatory Guides; and
- (b) use its reasonable endeavours to provide a copy of the first draft of the Independent Expert's Report as soon as practicable upon receipt of such draft from the Independent Expert.

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## 5. Obligations in relation to Regent Pacific Shareholder Resolutions

### 5.1 Regent Pacific's obligations in respect of Regent Pacific Shareholder Resolutions

Regent Pacific must take all steps reasonably necessary to obtain the approval of the Regent Pacific Shareholder Resolutions by the requisite majorities as soon as is reasonably practicable after the date of this agreement and, in any event, in accordance with the Timetable, and in particular Regent Pacific must:

- (a) prepare the Circular in accordance with the requirements of all applicable corporate and HK Securities Laws and the applicable rules and policies of HKSE (including the HKSE Rules), provide a draft to BC Iron and provide BC Iron and its advisers with a reasonable opportunity to provide suggested amendments to that draft prior to the issue of the Circular. If any such suggested amendments relate to the BC Iron Circular Information, Regent Pacific must consider in good faith such suggested amendments unless such suggested amendments would result in the Circular being misleading or deceptive or containing a material omission. Notwithstanding the foregoing, BC Iron hereby acknowledges and agrees that Regent Pacific is under no obligation whatsoever to incorporate, implement or recommend the incorporation or implementation of any changes proposed by BC Iron in respect of the Circular Reports;
- (b) promptly appoint the Circular Experts and provide all assistance and information reasonably requested by the Circular Experts in connection with the preparation of the Circular Reports for inclusion in the Circular (and Regent Pacific shall be responsible for all costs and expenses of, and relating to, the appointment of the Circular Experts and the preparation of the Circular Reports);
- (c) dispatch the Circular to the Regent Pacific Shareholders and convene and hold the meeting at which the Regent Pacific Shareholder Resolutions are proposed; and

- (d) if the Regent Pacific Shareholder Resolutions are passed by the requisite majorities, do all such things as are required to give full effect to those resolutions.

## 5.2 BC Iron's obligations in respect of the Regent Pacific Shareholder Resolutions

BC Iron must take all steps reasonably necessary to assist Regent Pacific to obtain the approval of the Regent Pacific Shareholder Resolutions by the requisite majorities as soon as is reasonably practicable after the date of this agreement and, in any event, in accordance with the Timetable, and in particular BC Iron must:

- (a) provide to Regent Pacific the BC Iron Circular Information requested by Regent Pacific in a form reasonably specified by Regent Pacific as appropriate for inclusion in the Circular;
- (b) promptly provide all assistance and information reasonably requested by the Circular Experts to enable them to prepare the Circular Reports, in each case in full compliance with the HKSE Rules, for inclusion in the Circular;
- (c) as soon as reasonably practicable after receipt from Regent Pacific of a draft of the Circular provided in accordance with clause 5.1(a), either:
  - (i) confirm in writing to Regent Pacific that the BC Iron Circular Information in the form and context in which it appears in the Circular is not misleading or deceptive in any material respect and does not contain any material omission; or
  - (ii) provide to Regent Pacific the changes required to ensure that the BC Iron Circular Information in the form and context in which it appears in the Circular is not misleading or deceptive in any material respect and does not contain any material omission; and
- (d) provide to Regent Pacific all such further or new information of which BC Iron becomes aware until the Implementation Date that is required to ensure that the BC Iron Circular Information in the form and context in which it appears in the Circular is not misleading or deceptive in any material respect and does not contain any material omission.

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## 6. Treatment of BC Iron Options

### 6.1 Option Acquisition Agreements

The parties must each use their best endeavours to ensure that, as soon as reasonably practicable and, in any event, by not later than the Option Deadline, each BC Iron Optionholder (other than an Affected Optionholder) enters into an Option Acquisition Agreement in a form reasonably acceptable to Regent Pacific. To avoid doubt, the satisfaction of this clause 6.1 is not a condition of the Scheme.

### 6.2 Option Consideration Agreements

The parties must each use their best endeavours to ensure that, as soon as reasonably practicable and, in any event, by not later than the Option Deadline, each Affected Optionholder enters into an Option Consideration Agreement in a form reasonably acceptable to Regent Pacific.

### 6.3 BC Iron obligations

- (a) BC Iron undertakes to grant any consent or approval or use its best endeavours to take any further action as may be required in connection with:
  - (i) the contemplated lapse of Affected Options pursuant to the Option Consideration Agreements (if, and to the extent, executed); and
  - (ii) any proposed transfer of BC Iron Options to BidCo under an Option Acquisition Agreement and, if necessary, BC Iron must apply to ASX for a waiver of any requirement under Listing Rule 6.23.4 to obtain the approval of its shareholders to the amendment of the terms of the BC Iron Options to allow their transfer to BidCo.
- (b) BC Iron must use its best endeavours to encourage BC Iron Optionholders to promptly execute an Option Acquisition Agreement or an Option Consideration Agreement, as appropriate, and, in any event, by no later than the Option Deadline.
- (c) BC Iron shall not cause or permit any amendment of the terms of any BC Iron Options without the consent of Regent Pacific unless otherwise expressly permitted by this agreement.
- (d) BC Iron shall deposit all monies paid to BC Iron upon the exercise of BC Iron Options (**Option Exercise Funds**) in a special purpose bank account with an Australian deposit-taking institution. BC Iron shall not withdraw, apply or deal with Option Exercise Funds in any way without the prior written approval of Regent Pacific. To avoid doubt, if this agreement is terminated for any reason or the Scheme does not become Effective, BC Iron is not bound by this clause in respect of its dealings with the Option Exercise Funds.
- (e) Promptly following the Scheme becoming Effective, BC Iron must:
  - (i) pass a board resolution amending the terms of the BC Iron Options to permit transfer in accordance with the Option Acquisition Agreement, and promptly register all transfers of BC Iron Options to BidCo in accordance with the Option Acquisition Agreements; and
  - (ii) do all other things contemplated by or necessary to give effect to the Option Acquisition Agreement or the Option Consideration Agreement.

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## 7. Conduct of business and access

### 7.1 Conduct of business

From the date of this agreement to the Implementation Date, BC Iron must:

- (a) not do anything that would constitute a Regulated Event; and
- (b) use its best endeavours to procure that the BC Iron Group conducts its businesses in the ordinary course except in relation to any matter required to be done or procured by BC Iron pursuant to, or which is otherwise permitted by, this agreement or the Scheme or the undertaking of which Regent Pacific has approved in writing, such approval not to be unreasonably withheld or delayed.

## **7.2 Requests for access**

From the date of this agreement to the Implementation Date, BC Iron will in good faith, on request from Regent Pacific, provide to Regent Pacific reasonable access at reasonable times to:

- (a) members of the BC Iron Board or senior management and to such other personnel as are requested by Regent Pacific (acting reasonably);
- (b) records and premises of the BC Iron Group, unless the provision of any such access is prohibited by law; and
- (c) other BC Iron business sites and locations, unless the provision of such access is prohibited by law,

provided that such access is subject to any existing confidentiality obligations owed to third parties or applicable privacy laws and does not place an unreasonable burden on the ability of BC Iron to operate its business in the ordinary course.

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## **8. Announcements**

### **8.1 Announcement**

Immediately after the execution of this agreement, BC Iron must issue the Announcement to the ASX, and Regent Pacific must issue the Announcement to the HKSE.

### **8.2 Other public announcements**

- (a) Subject to clause 8.2(b), each party must consult with the other prior to making any other public announcement in connection with the Scheme.
- (b) Where a party is required by law, the ASX Listing Rules or the HKSE Rules to make any announcement or make any disclosure relating to a matter the subject of the Scheme, it must, to the extent practicable, consult with the other parties as to the content of that announcement or disclosure, unless acting reasonably a party considers that an immediate announcement is required to be made.

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## **9. Recommendation and intentions in relation to the Scheme**

### **9.1 BC Iron Board recommendation**

The BC Iron Board must, in the Announcement and in the Explanatory Memorandum, unanimously recommend that BC Iron Shareholders vote in favour of the Scheme in the absence of a Superior Proposal for BC Iron, subject only to the Independent Expert concluding that the Scheme is in the best interests of BC Iron Shareholders.

### **9.2 BC Iron Director intentions**

BC Iron must use its best endeavours to procure that each BC Iron Director declares in the Announcement and in the Explanatory Memorandum his intention, in the absence of a Superior Proposal for BC Iron and subject to the Independent Expert concluding that the Scheme is in the best interests of BC Iron Shareholders, to vote in favour of the Scheme any BC Iron Shares in which they have a Relevant Interest and in respect of which they have power to vote.



### 9.3 Change of recommendation or intentions

The BC Iron Board may change or withdraw its recommendation and any BC Iron Director may announce his or her intention to vote against the Scheme or to abstain from voting on the Scheme any BC Iron Shares in which they have a Relevant Interest and in respect of which they have power to vote, if:

- (a) the Independent Expert concludes that the Scheme is not in the best interests of BC Iron Shareholders (or having given a report that, in the opinion of the Independent Expert, the Scheme is in the best interests of BC Iron Shareholders, gives a report changing that opinion for any reason to conclude that the Scheme is not in the best interests of BC Iron Shareholders); or
- (b) the BC Iron Board determines, after the operation of clause 11.5, that a Competing Proposal constitutes a Superior Proposal,

and the BC Iron Board has determined in good faith and acting reasonably, having received a specific written opinion from a Senior Counsel on the matter, that its fiduciary and statutory duties to BC Iron (including having regard to the best interests of holders of BC Iron Shares) require it to do so.

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## 10. Recommendation and intentions in relation to the Regent Pacific Shareholder Resolutions

### 10.1 Regent Pacific Board recommendation

The Announcement and the Circular must indicate that the Regent Pacific Board has unanimously recommended that Regent Pacific Shareholders vote in favour of the Regent Pacific Shareholder Resolutions and that all Regent Pacific Directors intend to vote any Regent Pacific Shares in respect of which they have the power to direct a vote in favour of the Regent Pacific Shareholder Resolutions.

### 10.2 Change of recommendation or intentions

The Regent Pacific Board may change or withdraw its recommendation, and any Regent Pacific Director may announce his intention to vote against the Regent Pacific Shareholder Resolutions or to abstain from voting on the Regent Pacific Shareholder Resolutions any Regent Pacific Shares in respect of which they have the power to direct a vote, if the Regent Pacific Board has determined in good faith, having received a specific written opinion from a Senior Counsel on the matter, that its fiduciary and statutory duties to Regent Pacific (including having regard to the best interests of holders of Regent Pacific Shares) require it do so.

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## 11. Exclusivity arrangements

### 11.1 No solicitation

During the Exclusivity Period, the BC Iron must not, and must ensure that its Representatives do not, except with the prior written consent of Regent Pacific, directly or indirectly solicit or invite any Competing Proposal or expression of interest or offer which may lead to a Competing Proposal, or initiate discussions with any Third Party which may reasonably be expected to lead to a Competing Proposal.

## 11.2 No talk and no due diligence

During the Exclusivity Period, BC Iron must not, and must ensure that its Representatives do not, except with the prior written consent of Regent Pacific:

- (a) participate or continue to engage in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal; or
- (b) provide any information to a Third Party for the purposes of enabling that person to make an expression of interest, offer or proposal which may reasonably be expected to lead to a Competing Proposal.

## 11.3 No commitments in respect of Competing Proposals

During the Exclusivity Period, BC Iron must not, and must ensure that its Representatives do not, except with the prior written consent of Regent Pacific, enter into any agreement, deed, arrangement or understanding whatsoever (whether communicated in writing or orally, whether binding or non-binding) in relation to a Competing Proposal requiring or that may require BC Iron to abandon, prejudice or otherwise fail to proceed with, the transactions the subject of this agreement unless the BC Iron Board, acting in good faith, on receipt of a specific written opinion from a Senior Counsel confirming the same, and in order to satisfy what the BC Iron Board considers to be its fiduciary or statutory duties, determines that the Competing Proposal is a Superior Proposal.

## 11.4 Competing Proposals

- (a) During the Exclusivity Period, BC Iron must promptly notify Regent Pacific:
  - (i) of any approach or attempt to initiate, resume or continue discussions or negotiations with it or any of its Representatives with respect to a Competing Proposal; and
  - (ii) of any request for information relating to it or to the BC Iron Group or its business or operations or any request for access to the books or records of it or the BC Iron Group, other than requests occurring in the ordinary course of business.
- (b) A notification given under clause 11.4(a) must be accompanied by all relevant details of the relevant event, including the identity of the relevant person or persons and the key terms and conditions of any Competing Proposal or proposed BC Iron Competing Proposal (to the extent known) and must be provided no later than two Business Days from receipt of the approach, request, Competing Proposal or proposed Competing Proposal.

## 11.5 Right to match

- (a) If BC Iron receives a Competing Proposal in respect of which:
  - (i) it has received a definitive, binding agreement for implementation which it intends to execute; or
  - (ii) it has not received a definitive, binding agreement for implementation but which is the subject of a bidder's statement filed with ASIC,and which it determines to be a Superior Proposal (**Other Proposal**), and as a result proposes to terminate this agreement under clause 15.2(c) or clause 15.2(d) (as

appropriate), BC Iron must give Regent Pacific five clear Business Days written notice of such proposed termination, and provide to Regent Pacific all relevant terms of the Other Proposal (including the identity of the relevant person or persons and the key terms and conditions, including the proposed price or implied value, details of any non-cash consideration, timing and break fee (if any)). Any information provided pursuant to this clause 11.5(a) will be provided subject to clause 16.

- (b) During the period of five clear Business Days referred to in clause 11.5(a), Regent Pacific will have the right to offer to amend the terms of the Scheme and this agreement or to propose an alternative transaction between the parties (each a **Counterproposal**) which provides at least an equivalent outcome for the holders of BC Iron Shares and BC Iron Options as does the Other Proposal.
- (c) The BC Iron Board must consider any such Counterproposal and if the BC Iron Board, acting in good faith, determines that:
  - (i) the Counterproposal would provide at least an equivalent outcome for the holders of BC Iron Shares and BC Iron Options than the Other Proposal; and
  - (ii) the other terms and conditions of the Counterproposal taken as a whole are not less favourable than those in the Other Proposal,

then BC Iron and Regent Pacific must use their best endeavours to agree the amendments to this agreement (including the Scheme) which are reasonably necessary to reflect the Counterproposal and to enter into one or more appropriate amended agreements to give effect to those amendments and to implement the Counterproposal, in each case as soon as reasonably practicable.

## 11.6 Exceptions

The restrictions in clauses 11.1 and 11.2 and the obligations in clause 11.3 do not apply to the extent that they restrict BC Iron from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not encouraged, solicited or invited, facilitated or initiated by BC Iron or its Representatives in contravention of clause 11.1) provided that the BC Iron Board has determined, in good faith and acting reasonably, that:

- (a) such bona fide Competing Proposal could reasonably be considered to be a Superior Proposal; and
- (b) after receiving a specific written opinion from a Senior Counsel on the matter, failing to respond to such bona fide Competing Proposal would be reasonably likely to constitute a breach of the BC Iron Board's fiduciary or statutory obligations.

## 11.7 Provision of information to a Potential Regent Pacific

If, in reliance on clause 11.6, BC Iron proposes to make available any material, non-public information to a Third Party for the purposes of, or in connection with, the making of an expression of interest, offer or proposal by a Third Party (**Potential Competing Bidder**) which may reasonably be expected to lead to a Competing Proposal, BC Iron must:

- (a) prior to providing any such information to the Potential Competing Bidder, enter into a confidentiality agreement with the Potential Competing Bidder on customary terms and which, in any event and taken as a whole, is no less favourable to BC Iron than the Confidentiality Agreement;

- (b) provide to Regent Pacific promptly upon its execution confirmation that such confidentiality agreement has been executed, together with a list of all information provided to the Potential Competing Bidder; and
- (c) at the request of Regent Pacific, provide copies of all information so provided and equivalent access to BC Iron and its Representatives, records, premises and sites as is afforded BC Iron to the Potential Competing Bidder.

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## 12. Break Fees

### 12.1 Acknowledgements

- (a) Each of BC Iron and Regent Pacific:
  - (i) believe that the Scheme will deliver significant benefits to BC Iron, Regent Pacific and their respective shareholders; and
  - (ii) acknowledge that the Break Fee for which it is potentially liable is a genuine and reasonable pre-estimate of the costs and losses which the other party expects to incur in connection with the Scheme (including internal and third party advisory, legal, accounting, due diligence and management costs and expenses and opportunity and other costs and expenses foregone) and it is not a pre-condition to being paid the Break Fee that the other party has actually incurred those costs or losses or that it be able to prove that it has done so.
- (b) Each of BC Iron and Regent Pacific acknowledge and agree that:
  - (i) the Break Fees are reasonable in the context of the Scheme;
  - (ii) it has received legal advice on this agreement and the operation of this clause 12; and
  - (iii) it is appropriate to enter into this agreement under the terms of this clause 12 and that it is necessary to secure the significant benefits to it and its shareholders resulting from the Scheme.

### 12.2 Payment of Break Fee by BC Iron

- (a) Subject to clauses 12.2(d) and 12.2(e), BC Iron agrees to pay Regent Pacific the Break Fee:
  - (i) if:
    - A. BC Iron is in material breach of its obligations under this agreement (including a material breach of a representation, warranty or undertaking set out in Schedule 3 or any breach of clause 5.2), and such breach has been notified in accordance with clause 15.1(b) and not remedied within the 10 Business Day period referred to therein;
    - B. a Regulated Event occurs between the date of this agreement and 8.00 am on the Second Court Date and such event has been notified in accordance with clause 15.1(b) and not remedied within the 10 Business Day period referred to therein; or

- C. subject to clause 12.2(b), at any time before the end of the Scheme Meeting, any of the BC Iron Directors makes a public statement changing or withdrawing their support or recommendation of the Scheme; or
  - D. at any time before the end of the Scheme Meeting, a majority of the BC Iron Directors recommend a Competing Proposal,
- and this agreement is terminated in accordance with its terms prior to the Implementation Date; or
- (ii) if a Competing Proposal is announced, made, or becomes open for acceptance, before the Scheme Meeting (or the termination of this agreement, whichever occurs first) and, whether before or after the termination of this agreement but in any event before the first anniversary of the date of this agreement, any Third Party for BC Iron:
    - A. acquires a Relevant Interest in more than 50% of all BC Iron Shares and the Third Party's proposal for BC Iron is (or becomes) free from any defeating conditions;
    - B. acquires the whole or a substantial part or a material part of the business or property of the BC Iron Group (taken as a whole);
    - C. acquires control of BC Iron, within the meaning of section 50AA of the Corporations Act; or
    - D. otherwise acquires or merges with BC Iron (including by a reverse takeover bid, reverse scheme of arrangement or dual listed companies structure).
- (b) Clause 12.2(a)(i)C will not apply where the relevant BC Iron Director makes a public statement changing or withdrawing his or her support or recommendation of the Scheme as a consequence of any event referred to in clause 9.3(a).
  - (c) BC Iron must pay Regent Pacific the amount referred to in clause 12.2(a) forthwith following (and, in any event, within 3 Business Days of) receipt by BC Iron from Regent Pacific of a valid demand for payment made after the occurrence of an event referred to in clause 12.2(a).
  - (d) No amount is payable by BC Iron to Regent Pacific under clause 12.2(a) if:
    - (i) this agreement is terminated by BC Iron under clauses 15.2(a) (but only where the circumstances giving rise to the termination would not have entitled Regent Pacific to terminate under clauses 15.1(b) or 15.1(e)), 15.2(b), 15.2(c), 15.2(e) or 15.2(f); or
    - (ii) this agreement is terminated by Regent Pacific and, at the time of termination, BC Iron is entitled to terminate this agreement under clauses 15.2(a) (but only where the circumstances giving rise to the termination would not have entitled Regent Pacific to terminate under clauses 15.1(b) or 15.1(e)), 15.2(b), 15.2(c), 15.2(e) or 15.2(f).
  - (e) No amount is payable by BC Iron to Regent Pacific under clause 12.2(a) by reason only that the holders of BC Iron Shares fail to pass, by the requisite majorities, the resolution to approve the Scheme at the Scheme Meeting in circumstances where

the BC Iron Directors have not made a public statement changing or withdrawing their support or recommendation of the Scheme or recommended a Competing Proposal and have continued to recommend the Scheme.

### **12.3 Payment of Break Fee by Regent Pacific**

- (a) Subject to clause 12.3(c), Regent Pacific agrees to pay BC Iron the Break Fee if:
  - (i) the Regent Pacific Shareholder Resolutions are voted upon at a general meeting of Regent Pacific Shareholders and the Regent Pacific Shareholders fail to approve the Regent Pacific Shareholder Resolutions by the requisite majorities; or
  - (ii) this agreement is terminated by Regent Pacific under clauses 15.1(a) or by BC Iron under clause 15.2(a) by reason of the failure or non-satisfaction of the Finance Condition.
- (b) Regent Pacific must pay BC Iron the amount referred to in clause 12.3(a) forthwith following (and, in any event, within 3 Business Days of) receipt by Regent Pacific from BC Iron of a valid demand for payment made after the occurrence of the event referred to in clause 12.3(a).
- (c) No amount is payable by Regent Pacific to BC Iron under clause 12.3(a) if:
  - (i) this agreement is terminated by Regent Pacific under clauses 15.1(a) (but only where the circumstances giving rise to the termination would not have entitled BC Iron to terminate under clauses 15.2(b) or 15.2(e) and other than where the termination is by reason of a failure or non-satisfaction of the Finance Condition), 15.1(b), 15.1(c), 15.1(e) or 15.1(f); or
  - (ii) this agreement is terminated by BC Iron and, at the time of termination, Regent Pacific is entitled to terminate this agreement under clauses 15.1(a) (but only where the circumstances giving rise to the termination would not have entitled BC Iron to terminate under clauses 15.2(b) or 15.2(e) and other than where the termination is by reason of a failure or non-satisfaction of the Finance Condition), 15.1(b), 15.1(c), 15.1(e) or 15.1(f).

### **12.4 Limits on compensation**

For the avoidance of doubt, no amount is payable under clause 12.2 or 12.3 if the Scheme becomes Effective despite the occurrence of any event referred to in clause 12.2 or 12.3 (as appropriate).

### **12.5 Compliance with law**

This clause 12 only imposes obligations on a party or the directors of a party to the extent that to cause the party to undertake or fulfil such obligations would not involve a breach of the duties of the directors of that party, constitute unacceptable circumstances within the meaning of the Corporations Act or be unlawful on any other basis.

### **12.6 Repayment of Break Fee**

Despite any event in clause 12.2 occurring, if Regent Pacific ultimately acquires beneficial ownership of not less than 100% of all BC Iron Shares and BC Iron Options within 12 months

after the date of this agreement, then Regent Pacific must promptly repay to BC Iron any amount received under clause 12.2.

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### **13. Liability of directors, officers and employees**

To the extent permitted by law, each party (in this clause 13, **first party**) releases all rights against, and agrees that it will not make any claim against, each past or present director, officer or employee of the other party or their Related Bodies Corporate in relation to:

- (a) information provided to the first party in relation to the transactions contemplated by this agreement; or
- (b) any breach of any representations, covenants and warranties of the first party in this agreement,

to the extent that such director, officer or employee has acted in good faith and has not engaged in wilful misconduct.

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### **14. Representations, warranties and indemnities**

#### **14.1 Regent Pacific representations and warranties**

Regent Pacific represents and warrants to BC Iron (on BC Iron's own behalf and separately as trustee or nominee for each of BC Iron's directors and officers) on the terms set out in Part A of Schedule 2.

#### **14.2 Regent Pacific indemnity**

- (a) Regent Pacific acknowledges that in entering into this agreement BC Iron and each Representative of BC Iron have relied on the Regent Pacific Warranties.
- (b) Regent Pacific indemnifies BC Iron (on its own behalf and separately as trustee for each Representative of BC Iron) against any loss suffered or incurred by reason of any breach of any of the Regent Pacific Warranties.

#### **14.3 BC Iron representations and warranties**

BC Iron represents and warrants to Regent Pacific (on its own behalf and separately as trustee for each Regent Pacific Representative) on the terms set out in Part A of Schedule 3.

#### **14.4 BC Iron indemnity**

- (a) BC Iron acknowledges that in entering into this agreement Regent Pacific and each Representative of Regent Pacific have relied on the BC Iron Warranties.
- (b) BC Iron indemnifies Regent Pacific (on its own behalf and separately as trustee for each Representative of Regent Pacific) against any loss suffered or incurred by reason of any breach of any of the BC Iron Warranties.

#### **14.5 Notifications**

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 14.

## 14.6 Status of representations and warranties

Each representation and warranty in this clause 14:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches of a representation or warranty which are discovered prior to the date of termination of this agreement.

## 14.7 Status and enforcement of indemnities

- (a) Each indemnity in this agreement:
  - (i) is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement; and
  - (ii) is given to the party to which it is expressed to be given, and as trustee for each Representative of that party, and a reference to a loss in an indemnity given to a party includes a loss suffered or incurred by a Representative of that party.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

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## 15. Termination

### 15.1 Termination by Regent Pacific

Regent Pacific may terminate this agreement at any time before 8.00 am on the Second Court Date by notice in writing to BC Iron:

- (a) in accordance with clause 3.6; or
- at any time before 8.00 am on the Second Court Date:
- (b) if there is a material breach of any of the BC Iron Warranties, or a Regulated Event occurs, or a Material Adverse Change occurs, provided that in each case Regent Pacific is only entitled to terminate if it has given notice to BC Iron setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist for 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by BC Iron, provided that BC Iron will use best endeavours to remedy such breach as soon as possible;
  - (c) if a majority of the BC Iron Board publicly change their recommendation in relation to the Scheme or publicly recommends a Superior Proposal, whether in accordance with clause 9.3 or otherwise;
  - (d) if the Regent Pacific Board publicly changes or withdraws its recommendation;
  - (e) if BC Iron is in material breach of any of clause 3, clause 4.1, clause 5.2, clause 7 or clause 11 before that time, provided that Regent Pacific is only entitled to terminate if it has given notice to BC Iron setting out the relevant circumstances and stating



an intention to terminate and the relevant circumstances have continued to exist 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by BC Iron; or

- (f) if BC Iron is in material breach of clause 9.1 or clause 9.2.

## 15.2 Termination by BC Iron

BC Iron may terminate this agreement at any time before 8.00 am on the Second Court Date by notice in writing to Regent Pacific:

- (a) in accordance with clause 3.6; or

at any time before 8.00 am on the Second Court Date:

- (b) if there is a material breach of any of the Regent Pacific Warranties provided that BC Iron is only entitled to terminate if it has given notice to Regent Pacific setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Regent Pacific;
- (c) if a majority of the Regent Pacific Board publicly change their recommendation in relation to the Regent Pacific Shareholder Resolutions;
- (d) if the BC Iron Board publicly changes or withdraws its recommendation or publicly recommends to BC Iron Shareholders any Superior Proposal pursuant to clause 9.3;
- (e) if Regent Pacific is in material breach of clause 3, clause 4.2, clause 5.1, clause 7 or clause 11 before that time, provided that BC Iron is only entitled to terminate if it has given notice to Regent Pacific setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Regent Pacific; or
- (f) if Regent Pacific is in material breach of clause 10.1.

## 15.3 Effect of termination

In the event of termination of this agreement by either BC Iron or Regent Pacific pursuant to this clause 15, this agreement will become void and have no effect, other than:

- (a) this clause 15 and clauses 1, 12, 13, 14, 16, 17, 18, 19, 20 and 21 which shall survive termination; and
- (b) in respect of any liability for an antecedent breach of this agreement.

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## 16. Confidentiality

### 16.1 Non-disclosure of agreement

The parties refer to the Confidentiality Agreement between them and reaffirm their commitment to the terms of that agreement. However, to the extent that there is any inconsistency between the Confidentiality Agreement and this agreement, the terms of this agreement will prevail (unless otherwise indicated).

## 16.2 Disclosure on termination of agreement

The parties agree that, if this agreement is terminated under clause 15, BC Iron or Regent Pacific may disclose by way of announcement to a Stock Exchange the fact that this agreement has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other parties as to (and gives the other parties a reasonable opportunity to comment on) the form of the announcement prior to its disclosure.

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## 17. Costs and stamp duty

### 17.1 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this agreement.

### 17.2 Stamp duty

Regent Pacific and BC Iron agree that Regent Pacific:

- (a) must pay, or procure the payment by BidCo of, all stamp duty and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement;
- (b) indemnifies BC Iron against any liability arising from failure to comply with clause 17.2(a); and
- (c) is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause 17.2.

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## 18. Notices

### 18.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):

- (i) if to BC Iron:

Address: Level 1, 5 Rheola Street  
West Perth, Western Australia

Fax number: +61 (8) 6311 3499

For the attention of: Managing Director and Company Secretary

with a copy to:

Address: Middletons, Solicitors  
Level 2, 6 Kings Park Road,  
West Perth, Western Australia

Fax: + 61 (8) 9216 0901

For the attention of: Simon Salter and Annaliese Eames

(ii) if to Regent Pacific:

Address: P.O. Box 309, Uglan House  
South Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

Fax number: +852 2810 4792

For the attention of: Jamie Gibson and David Church

with a copy to:

Address: Clayton Utz, Level 27, QV.1 Building  
250 St Georges Terrace, Perth, Western Australia

Fax: +61 (8) 9481 3095

For the attention of: Heath Lewis

- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party; and
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 18.1(b).

## 18.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
- (d) (in the case of delivery by hand) on delivery,

but if the communication is taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day (**working day** meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

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## 19. GST

### 19.1 Interpretation

- (a) Except where the context suggests otherwise, and subject to clause 19.1(b), terms used in the clause have the meaning given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time).
- (b) "Input tax credit" has the meaning given by the A New Tax System (Goods and Services Tax) Act 1999 and a reference to an input tax credit entitlement of an entity includes an input tax credit for an acquisition made by that entity but to which another member of the same GST group is entitled.
- (c) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause.
- (d) Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purposes of this clause.

### 19.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

### 19.3 GST Payable

- (a) If GST is payable in relation to a taxable supply made under or in connection with the agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must, subject to clause 19.3(b), pay an additional amount to the Supplier equal to the amount of that GST at the same times as other consideration is to be provided for that supply.
- (b) No payment of any amount pursuant to clause 19.3(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) Where additional amounts are payable between parties to this agreement pursuant to clause 19.3(a), amounts so payable, to the extent they are equivalent in amount, shall be set off against each other as if paid and each party shall be obliged only to provide the tax invoice referred to in clause 19.3(b) no later than the time at which any consideration is to be first provided for that supply.
- (d) If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 19.3(a) then the Supplier must promptly issue an adjustment note to the Recipient and will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 19.3(a).

### 19.4 No Merger

This clause shall not merge on completion of this agreement.

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## **20. General**

### **20.1 Amendments**

This agreement may only be varied by a document signed by or on behalf of each party.

### **20.2 Waiver**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement.
- (b) A waiver or consent given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

### **20.3 Further acts and documents**

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this agreement.

### **20.4 Consents**

A consent required under this agreement from a party may not be unreasonably withheld, unless this agreement expressly provides otherwise.

### **20.5 Counterparts**

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

### **20.6 Entire agreement**

This agreement embodies the entire understanding of BC Iron and Regent Pacific and constitute the entire terms agreed by BC Iron and Regent Pacific in relation to the subject matter of this agreement and together supersede any prior written or other agreement between BC Iron and Regent Pacific in relation to that subject matter.

### **20.7 No assignment**

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior consent of each other party.

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## **21. Governing law and jurisdiction**

### **21.1 Governing law**

This agreement is governed by and must be construed according to the law applying in the state of Western Australia.

## 21.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of the state of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 21.2(a).

Schedule 1 :  
Timetable

Event	Date
Date of this agreement and announcement	20 January 2011
First Court Date	Early March 2011
Meeting of Regent Pacific Shareholders to consider Regent Pacific Shareholder Resolutions	Mid April 2011
Scheme Meeting	Mid April 2011
Second Court Date	Late April 2011

**Schedule 2 :**  
**Regent Pacific representations and warranties**

Regent Pacific represents and warrants to BC Iron (on its own behalf and separately as trustee for each BC Iron Representative) except to the extent publicly announced prior to the date of this agreement or fairly disclosed in writing to BC Iron prior to the date of this agreement:

- (a) **(Corporate capacity and litigation)** on each date from the date of this agreement and until (and including) the Second Court Date that:
- (i) Regent Pacific and BidCo are each a validly existing corporation registered under the laws of its place of incorporation;
  - (ii) the execution and delivery of this agreement by Regent Pacific and BidCo has been properly authorised by all necessary corporate action and Regent Pacific and BidCo each has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
  - (iii) this agreement constitutes legal, valid and binding obligations on Regent Pacific and BidCo and this agreement does not conflict with or result in a breach of or a default under:
    - A. the constitution of Regent Pacific or any of its Related Bodies Corporate;
    - B. any writ, order or injunction, judgment, law, rule or regulation to which Regent Pacific or any of its Related Bodies Corporate is party or bound by; or
    - C. any material contract to which Regent Pacific or any of its Related Bodies Corporate is party that would entitle the counter-party or counter-parties thereto to terminate the contract;
  - (iv) neither Regent Pacific nor any of its Related Bodies Corporate are engaged in any material litigation or arbitration proceedings relating to their businesses and there are no facts likely to give rise to any such proceedings; and
  - (v) it is aware that BC Iron and its Representatives will rely on the Regent Pacific EM Information for the purposes of preparing the Explanatory Memorandum and proposing the Scheme in accordance with the requirements of the Corporations Act;
- (b) **(Approvals)** no consent, authorization or approval is required to be obtained by Regent Pacific or its Subsidiaries in connection with the transactions contemplated under this agreement from any Regulatory Authority or any other person under any laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, policies, guidelines, notices, judgments, orders, writs, injunctions, decisions, awards or directives, under the articles or bylaws of Regent Pacific or its Subsidiaries, or pursuant to the terms of any agreement to which Regent Pacific or its Subsidiaries is a party, other than:
- (i) the approval of the Regent Pacific Shareholders of the Regent Pacific Shareholder Resolutions;
  - (ii) a 'no further comment' confirmation (or an equivalent statement) from HKSE in respect of the Circular and Announcement;



- (iii) the expression of no objection (or preclusion from exercising a power to make an order) by the Treasurer of the Commonwealth of Australia as contemplated by the Condition at clause 3.1(h) of the agreement; and
  - (iv) any approval or consent contemplated by a Condition;
- (c) **(Regent Pacific EM Information)** on the First Court Date and on each date from the date of the First Court Date until the Second Court Date:
- (i) the Regent Pacific EM Information will be prepared and included in the Explanatory Memorandum in good faith and on the understanding that BC Iron, its directors and its officers will rely on that information for the purposes of considering and approving the BC Iron EM Information in the Explanatory Memorandum;
  - (ii) the Regent Pacific EM Information in the Explanatory Memorandum does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission (other than a statement or omission which has been rectified by Regent Pacific to the court's satisfaction by the Second Court Date); and
  - (iii) to the best of Regent Pacific's knowledge and belief, the Regent Pacific EM Information complies in all material respects with relevant laws (including the Corporations Act, ASX Listing Rules and relevant Regulatory Guides);
- (d) **(Solvency)** on each date from the execution of this agreement until the Implementation Date, that Regent Pacific and BidCo will be solvent;
- (e) **(Scheme Consideration)** that Regent Pacific has a reasonable basis for believing that on the Implementation Date it will be able to provide the Scheme Consideration, subject to execution of the final definitive financing and security documentation contemplated in the Finance Documents, together with receipt of applicable HKSE and shareholder approvals;
- (f) **(Other)** on each date from the First Court Date until the Implementation Date, that Regent Pacific has complied with its obligations under clause 4.2(e); and
- (g) **(Interests in BC Iron securities)** as at the date of this agreement, Regent Pacific's voting power (as that term is defined in the Corporations Act) in BC Iron is 18,392,255 shares representing 19.87% of the current issued share capital of BC Iron as of the date of this agreement and no member of the Regent Pacific Group has a Relevant Interest in any other securities of BC Iron or any other economic interest in any such securities (including any interest arising under a derivative or swap arrangement).

**Schedule 3 :  
BC Iron representations and warranties and Regulated Events**

Part A - representations and warranties

BC Iron represents and warrants to Regent Pacific (on its own behalf and separately as trustee for each Regent Pacific Representative) except to the extent announced to ASX prior to the date of this agreement or fairly disclosed in writing to Regent Pacific prior to the date of this agreement:

- (a) **(Corporate capacity and litigation)** on each date from the date of this agreement and until (and including) the Second Court Date that:
- (i) BC Iron is a validly existing corporation registered under the laws of its place of incorporation;
  - (ii) the execution and delivery of this agreement by BC Iron has been properly authorised by all necessary corporate action and BC Iron has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
  - (iii) this agreement constitutes legal, valid and binding obligations on BC Iron and this agreement does not conflict with or result in a breach of or default under:
    - A. the constitution of BC Iron or any of its Related Bodies Corporate;
    - B. any writ, order or injunction, judgment, law, rule or regulation to which BC Iron or any of its Related Bodies Corporate is party or bound by; or
    - C. any material contract to which BC Iron or any of its Related Bodies Corporate is party that would entitle the counter-party or counter-parties thereto to terminate the contract;
  - (iv) neither BC Iron nor any of its Subsidiaries are engaged in any material litigation or arbitration proceedings relating to their businesses and there are no facts likely to give rise to any such proceedings other than the arbitration with Tennant Metals Pty Ltd, all material particulars of which have been disclosed to Regent Pacific;
  - (v) it is aware that Regent Pacific and its Representatives will rely on the BC Iron Circular Information for the purposes of preparing the Circular and proposing the Regent Pacific Shareholder Resolutions;
- (b) **(Disclosure)** on each date from the date of this agreement and until (and including) the Second Court Date that:
- (i) to the best of BC Iron's knowledge, information and belief, all information contained in the Disclosure Materials, other than information consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention, is materially accurate and not misleading or deceptive and does not contain any material omission;
  - (ii) each forecast, budget, estimate, projection, statement of opinion or statement of intention contained in the Disclosure Materials has been prepared in good faith and with due skill and care and on the basis of reasonable assumptions and (where relevant) in compliance with applicable law;
  - (iii) there is no litigation, mediation or arbitration proceedings (including in relation to native title claims) current or pending or, to the best of the knowledge, information

and belief of the BC Iron, threatened, which is likely to materially affect the ownership of, or value of the assets of BC Iron; and

(iv) BC Iron has not intentionally withheld from Regent Pacific any information in relation to BC Iron and its assets which BC Iron reasonably knows is or will be material to the value of BC Iron;

(c) **(Securities)** as at the date of this agreement there are:

(i) 92,561,000 BC Iron Shares on issue; and

(ii) 12,050,000 BC Iron Options on issue, and the information in relation to BC Iron Options in Schedule 4 is accurate,

and BC Iron has not issued (and is not required to issue) any other securities or instruments (including performance rights) which are still outstanding (or may become outstanding) and which may convert or be converted into BC Iron securities other than as a result of the exercise of any existing BC Iron Options, and BC Iron (and the BC Iron Board) will not, as a result of the Scheme or any other transaction contemplated by this agreement, permit or allow (to the extent to which they are able) any acceleration or early vesting of any of the securities or instruments referred to above;

(d) **(Approvals)** no consent, authorization or approval is required to be obtained by BC Iron or its Subsidiaries in connection with the transactions contemplated under this agreement from any Regulatory Authority or any other person under any laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, policies, guidelines, notices, judgments, orders, writs, injunctions, decisions, awards or directives, under the constitution of BC Iron or its Subsidiaries, or pursuant to the terms of any agreement to which BC Iron or its Subsidiaries is a party, other than any approval or consent contemplated by a Condition;

(e) **(BC Iron Circular Information):**

(i) the BC Iron Circular Information will be prepared and included in the Circular in good faith and on the understanding that Regent Pacific, its directors and its officers will rely on that information for the purposes of considering and approving the Regent Pacific Circular Information in the Circular;

(ii) the BC Iron Circular Information in the Circular does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission (other than a statement or omission which has been rectified by BC Iron before the despatch of the Circular ); and

(iii) to the best of BC Iron's knowledge and belief, the BC Iron Circular Information complies in all material respects with relevant laws;

(f) **(Information to Circular Experts)** all information provided by or on behalf of BC Iron to the Circular Experts to enable their reports to be included in the Circular will be provided in good faith and on the understanding that they will rely upon that information for the purpose of preparing the Circular Reports for inclusion in the Circular;

(g) **(Financial statements)** BC Iron's financial statements for the financial year ended 30 June 2010 present fairly in all material respects the financial position of BC Iron as of 30 June 2010 and 2009, give a true and fair view of BC Iron's performance for the relevant periods, and comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 (Cth);

- (h) **(Continuous disclosure)** on the date of this agreement, the First Court Date, the Scheme Meeting and the Second Court Date, following the making of the Announcement BC Iron has complied in all respects with its continuous disclosure obligations under ASX Listing Rule 3.1 and BC Iron is not withholding any information from Regent Pacific which is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A (other than the fact of this agreement, and the negotiations preceding it);
- (i) **(Solvency)** on each date from the execution of this agreement until the Implementation Date, that BC Iron will be solvent;
- (j) **(No Regulated Event)** between the date of this agreement and the Second Court Date, that a Regulated Event will not occur except in accordance with this agreement;
- (k) **(Other)** on each date from the First Court Date until the Implementation Date, BC Iron has complied with its obligations under clause 4.1(j);
- (l) **(No interest in Regent Pacific securities)** as at the date of this agreement, BC Iron's voting power (as that term is defined in the Corporations Act) in Regent Pacific is nil and no member of the BC Iron Group has a Relevant Interest in any securities of Regent Pacific or any other economic interest in any such securities (including any interest arising under a derivative or swap arrangement);
- (m) **(Tenements and Applications)** on each date from the date of this agreement and until (and including) the Second Court Date that:
  - (i) a BC Iron Group member is the sole registered and beneficial owner of, and has good and valid title to, the interests in the Tenements and Applications as indicated in Schedule 5;
  - (ii) the Tenements and Applications were duly applied for, and all required notices have been given, in accordance with all applicable laws and regulations including the Mining Act and the Native Title Act 1993 (Cth);
  - (iii) the Tenements are in good standing, are valid and subsisting in accordance with their terms and are not liable to cancellation or forfeiture and, where appropriate, exemptions from the expenditure conditions attaching to the Tenements have been duly applied for or obtained;
  - (iv) all obligations under the Mining Act in respect of and material to the Tenements have been complied with and all rent, royalties and other payments due in respect of the Tenements have been paid;
  - (v) there is no Encumbrance, option, right of pre-emption, right of first or last refusal or other third party right over any of the Tenements or the Applications or any metals or minerals which may be derived therefrom (including any rights to accept any offer or proposal which will, if accepted, result in an agreement), other than as indicated in Schedule 5; and
  - (vi) there is no production or profit sharing, royalty, carried interest or similar agreement or arrangement affecting the Tenements, the Applications or any metals or minerals which may be derived therefrom, other than as indicated in Schedule 5;
- (n) **(Heads of OHPS Agreement)** the Heads of OHPS Agreement is in full force and effect and is legally binding as between the parties thereto in accordance with its terms; and
- (o) **(Non-existence of certain rights)** no person has any right (whether subject to conditions or not) as a result of Regent Pacific or BidCo acquiring BC Iron Shares to:

- (i) acquire, or require BC Iron or a Subsidiary of BC Iron to dispose of, or offer to dispose of, any material asset of BC Iron or a Subsidiary of BC Iron;
- (ii) terminate or vary any material agreement with BC Iron or a Subsidiary of BC Iron;  
or
- (iii) accelerate or adversely modify the performance of any obligations of BC Iron or any of its Subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

**Part B - Regulated Events**

- (a) BC Iron or any of its Subsidiaries converts all or any of its securities into a larger or smaller number of securities;
- (b) BC Iron or any of its Subsidiaries resolves to reduce its capital in any way;
- (c) BC Iron or any of its Subsidiaries:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) BC Iron or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than:
  - (i) to a wholly-owned Subsidiary of BC Iron; or
  - (ii) pursuant to the exercise of BC Iron Options existing at the date of this agreement;
- (e) BC Iron or any of its Subsidiaries issues, or agrees to issue, convertible notes, any other security convertible into shares or performance rights to acquire or be issued securities, other than to a wholly-owned Subsidiary of BC Iron;
- (f) BC Iron or any of its Subsidiaries agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital, other than the declaration and payment by any Subsidiary of BC Iron of a dividend where the recipient of that dividend is BC Iron or a wholly-owned Subsidiary of BC Iron;
- (g) BC Iron makes any change to its constitution;
- (h) BC Iron or any of its Subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the BC Iron Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds A\$5 million in aggregate;
- (i) BC Iron or any of its Subsidiaries disposes of, or agrees to dispose of, or creates or agrees to create an equity interest in respect of, any assets, properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds A\$5 million in aggregate;
- (j) BC Iron or any of its Subsidiaries creates, or agrees to create, any Encumbrance over its business or any part of its property other than in the ordinary course of its business;
- (k) BC Iron or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its

credit facilities in existence as at the date of this agreement where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (h) of this definition;

- (l) BC Iron or any of its Subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in BC Iron or any wholly-owned Subsidiary of BC Iron in the ordinary course of business), other than in the ordinary course of business;
- (m) BC Iron or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of BC Iron or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (n) a liquidator or provisional liquidator of BC Iron or any of its Subsidiaries is appointed;
- (o) a court makes an order for the winding up of BC Iron or any of its Subsidiaries;
- (p) an administrator of BC Iron or of any of its Subsidiaries is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (q) BC Iron or any of its Subsidiaries ceases, or threatens to cease, to carry on business;
- (r) BC Iron or any of its Subsidiaries executes a deed of company arrangement;
- (s) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of BC Iron or any of its Subsidiaries;
- (t) BC Iron or any of its Subsidiaries is deregistered as a company or otherwise dissolved;
- (u) BC Iron or any of its Subsidiaries is or becomes unable to pay its debts when they fall due;
- (v) BC Iron or any of its Subsidiaries entering into any arrangement, commitment or agreement with a related party (as that term is defined in section 228 of the Corporations Act), other than in the ordinary course of business;
- (w) BC Iron or any of its Subsidiaries makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability (other than payroll tax in respect of directors' fees), files any material amended tax return, enters into a closing agreement, surrenders any right to claim a material tax refund or consents to the extension or waiver of the limitation period applicable to any material tax claim or assessment, other than in the ordinary course of business;
- (x) BC Iron or any of its Subsidiaries pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations exceeding \$2 million other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in BC Iron's financial statements or incurred in the ordinary course of business consistent with past practice;
- (y) BC Iron or any of its Subsidiaries authorizes, recommends or proposes any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice;
- (z) BC Iron or any of its Subsidiaries enters into or renews any agreement, contract, lease, licence or other binding obligation containing:
  - (i) any limitation or restriction on the ability of BC Iron or any of its Subsidiaries or, following completion of the transactions contemplated by this agreement, the ability of Regent Pacific, to engage in any type of activity or business;

- (ii) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of BC Iron or, following completion of the transactions contemplated by this agreement, all or any portion of the business of Regent Pacific, is or would be conducted; or
- (iii) any limit or restriction on the ability of BC Iron or any of its Subsidiaries or, following completion of the transactions contemplated by this agreement, the ability of Regent Pacific, to solicit customers or employees,

or that would reasonably be expected to materially delay or prevent the completion of the transactions contemplated by this agreement, other than in the ordinary course of business; or

- (aa) the trustee of any trust in which BC Iron or any of its Subsidiaries has an interest of more than 50% and which would, if it were a company, be a Subsidiary of BC Iron undertaking an action in respect of that trust if the corresponding action, in the case of BC Iron and its Subsidiaries, would (mutatis mutandis) constitute an event in paragraphs (a) to (z) above, other than in the ordinary course of business.

#### **Part C - Permitted Events**

- (a) Any act, step or conduct of BC Iron or any member of the BC Iron Group that is required to ensure that such party does not breach its obligations under:
  - (i) the joint venture agreement dated 16 November 2010 between BC Iron, BC Iron Nullagine Pty Ltd and FMG Pilbara Pty Ltd and the Heads of OHPS Agreement; and
  - (ii) any other agreement material to the mining and development of the Nullagine Iron Ore Project to which a member of the BC Iron Group is a party and which has been disclosed to Regent Pacific prior to the date of this agreement.
- (b) Any payment, discharge, settlement, satisfaction, compromise or release in respect of the dispute between BC Iron and Tennant Metals Pty Ltd, provided that:
  - (i) such action does not involve BC Iron discharging, incurring or paying (or agreeing to pay) an obligation valued at more than A\$2 million; and
  - (ii) BC Iron provides a reasonable opportunity to BidCo to review the details of any such arrangements.

**Schedule 4 :  
BC Iron Options and Option Consideration**

BC Iron Options	Option Consideration <sup>1</sup>
250,000 options exercisable at A\$1.85 expiring 15 August 2011	A\$1.45 per option
250,000 options exercisable at A\$2.00 expiring 15 August 2011	A\$1.30 per option
100,000 employee options exercisable at A\$1.25 expiring 21 August 2011 <sup>2</sup>	A\$2.05 per option
200,000 employee options exercisable at A\$1.50 expiring 21 August 2011 <sup>2</sup>	A\$1.80 per option
200,000 employee options exercisable at A\$2.00 expiring 21 August 2011 <sup>2</sup>	A\$1.30 per option
250,000 consultant options exercisable at A\$0.65 expiring 31 March 2012	A\$2.65 per option
250,000 consultant options exercisable at A\$0.90 expiring 31 March 2012	A\$2.40 per option
100,000 employee options exercisable at A\$1.25 expiring 1 August 2012 <sup>2</sup>	A\$2.05 per option
200,000 employee options exercisable at A\$1.40 expiring 1 August 2012 <sup>2</sup>	A\$1.90 per option
200,000 employee options exercisable at A\$1.60 expiring 1 August 2012 <sup>2</sup>	A\$1.70 per option
150,000 employee options exercisable at A\$1.40 expiring 1 August 2012 <sup>2</sup>	A\$1.90 per option
100,000 employee options exercisable at A\$1.25 expiring 3 September 2012 <sup>2</sup>	A\$2.05 per option
150,000 employee options exercisable at A\$1.40 expiring 3 September 2012 <sup>2</sup>	A\$1.90 per option
250,000 employee options exercisable at A\$1.60 expiring 3 September 2012 <sup>2</sup>	A\$1.70 per option
100,000 employee options exercisable at A\$1.25 expiring 5 November 2012 <sup>2</sup>	A\$2.05 per option
150,000 employee options exercisable at A\$1.50 expiring 5 November 2012 <sup>2</sup>	A\$1.80 per option
150,000 employee options exercisable at A\$2.00 expiring 5 November 2012 <sup>2</sup>	A\$1.30 per option



BC Iron Options	Option Consideration <sup>1</sup>
6,000,000 financier options exercisable at A\$1.35 expiring 11 February 2012	A\$1.95 per option
2,000,000 financier options exercisable at A\$1.50 expiring 11 February 2012	A\$1.80 per option
500,000 stakeholder options exercisable at A\$1.50 expiring 19 February 2015	A\$1.80 per option
50,000 employee options exercisable at A\$2.39 expiring 30 June 2013 <sup>2</sup>	A\$0.91 per option
50,000 employee options exercisable at A\$2.64 expiring 30 June 2013 <sup>2</sup>	A\$0.66 per option
75,000 employee options exercisable at A\$2.89 expiring 30 June 2013 <sup>2</sup>	A\$0.41 per option
75,000 employee options exercisable at A\$3.14 expiring 30 June 2013 <sup>2</sup>	A\$0.16 per option
50,000 employee options exercisable at A\$2.36 expiring 30 June 2013 <sup>2</sup>	A\$0.94 per option
100,000 employee options exercisable at A\$2.53 expiring 30 June 2013 <sup>2</sup>	A\$0.77 per option
100,000 employee options exercisable at A\$2.77 expiring 30 June 2013 <sup>2</sup>	A\$0.53 per option

1. In respect of each tranche of BC Iron Options identified above, each BC Iron Optionholder shall be entitled to its pro-rata proportion of the Option Consideration (based on its proportionate holding of the relevant BC Iron Options).

2. Affected Options

**Schedule 5 :  
Tenements and Applications**

**Part A - Tenements and Applications**

Tenement	Registered holder / Applicant <sup>1</sup>
Exploration Licence (E) 46/522-I	BC Iron Limited
E46/523-I	BC Iron Limited
E46/524	BC Iron Limited
E45/2552-I	BC Iron Limited
E45/2717-I	BC Iron Limited
E46/651-I	BC Iron Limited
E46/652-I	BC Iron Limited
E46/653-I	BC Iron Limited
E46/654-I	BC Iron Limited
E46/655-I	BC Iron Limited
E46/656-I	BC Iron Limited
E46/657-I	BC Iron Limited
E46/658-I	BC Iron Limited
E46/663-I	BC Iron Limited
E47/1887	BC Iron Limited
E47/1888	BC Iron Limited
E47/1889	BC Iron Limited
E47/1890	BC Iron Limited
E47/1891	BC Iron Limited
E45/3790 (Application)	BC Iron Nullagine Pty Ltd
E46/836 (Application)	BC Iron Limited
E46/837 (Application)	BC Iron Limited
E46/838 (Application)	BC Iron Limited
E46/839 (Application)	BC Iron Limited
E46/806 (Application)	BC Iron Limited
EL46/807 (Application)	BC Iron Limited

Tenement	Registered holder / Applicant <sup>1</sup>
E46/808 (Application)	BC Iron Limited
E46/904 (Application)	BC Iron Nullagine Pty Ltd
E46/928 (Application)	BC Iron Nullagine Pty Ltd
E46/929 (Application)	BC Iron Nullagine Pty Ltd
E46/930 (Application)	BC Iron Nullagine Pty Ltd
E46/931 (Application)	BC Iron Nullagine Pty Ltd
Mining Lease (M) 46/515-I	BC Iron Limited
General Purpose Lease (G) 46/8	BC Iron Limited
G46/9	BC Iron Limited
Miscellaneous Licence (L) 46/68	BC Iron Limited
L46/73	BC Iron Limited
L46/74	BC Iron Limited
L46/75	BC Iron Limited
L46/76	BC Iron Limited
L46/79	BC Iron Nullagine Pty Ltd
L46/80	BC Iron Nullagine Pty Ltd
L46/81	BC Iron Nullagine Pty Ltd
L46/82	BC Iron Nullagine Pty Ltd
L46/83	BC Iron Nullagine Pty Ltd
L46/84	BC Iron Nullagine Pty Ltd
L46/85	BC Iron Nullagine Pty Ltd
L46/93 (Application)	BC Iron Nullagine Pty Ltd
L46/94 (Application)	BC Iron Nullagine Pty Ltd
L46/95 (Application)	BC Iron Nullagine Pty Ltd

1. The relevant member of the BC Iron Group in each instance holds a 100% interest in the relevant Tenement or Application.

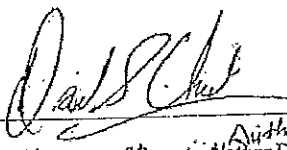
Part B - Rights in respect of Tenements and Applications

The following agreements give certain rights over the Tenements to third parties and impose obligations on BC Iron (such agreements having been disclosed to Regent Pacific before the date of this agreement):

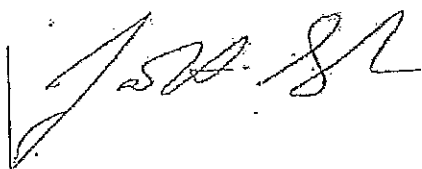
- (a) Joint Venture Agreement of 16 November 2010 between BC Iron, BC Iron Nullagine Pty Ltd and FMG Pilbara Pty Ltd;
- (b) Heads of OHPS Agreement;
- (c) Iron Ore Purchase agreement dated 9 November 2009 as between BC Iron Nullagine Pty Ltd, Henghou Industries Pty Ltd and Henghou Machinery, as amended by letter agreement dated 30 November 2009;
- (d) Joint Venture Agreement dated 22 June 2007 between BC Iron, Alkane Resources Ltd (previously named Alkane Exploration Ltd) ACN 000 689 216 (**Alkane**), Vaalbara Resources Pty Ltd ACN 109 567 446 and Mark Gareth Creasy and the Vaalbara Third Parties (Vaalbara JV Agreement); and
- (e) Farm In and Joint Venture Agreement dated 30 October 2006 between BC Iron, Alkane Randolph Resources Pty Ltd, Mark Emmerson Barley, Timothy Simon Blake, Albert Edward Mitchell, Bruce Walter Menzel and Denis William O'Meara.

Signed as an agreement.

Executed by  
Regent Pacific Group Limited in the  
presence of:

  
\_\_\_\_\_  
(Signature of Secretary/other Director) <sup>Authorised Signatory</sup>

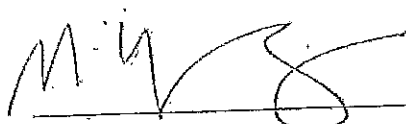
DAVID SAMUEL CHURCH  
\_\_\_\_\_  
(Name of Secretary/other Director) <sup>Authorised Signatory</sup> in full)



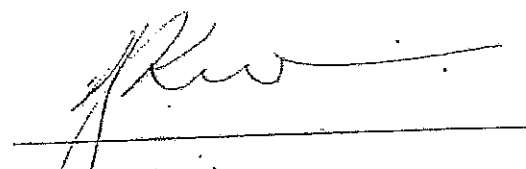
\_\_\_\_\_  
(Signature of Director)

JAMIE GIBSON  
\_\_\_\_\_  
(Name of Director in full)

Executed by  
BC Iron Limited ACN 120 646 924  
in accordance with section 127 of the  
Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
(Signature of Secretary/other Director)

MICHAEL YOUNG  
MANAGING DIRECTOR  
\_\_\_\_\_  
(Name of Secretary/other Director in full)



\_\_\_\_\_  
(Signature of Director)

ANTHONY KIERNAN  
\_\_\_\_\_  
(Name of Director in full)

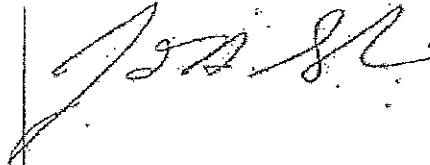
Executed by  
Regent Pilbara Pty Ltd  
ACN 147 787 380  
in accordance with section 127 of the  
Corporations Act 2001 (Cth):



(Signature of Secretary/other Director)

DAVID SAMUEL CHURCH

(Name of Secretary/other Director in full)



(Signature of Director)

JAMIE GIBSON

(Name of Director in full)

Annexure A :  
Scheme

CLAYTON UTZ

FINAL

# Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

BC Iron Limited  
BC Iron

The holders of fully paid ordinary shares in  
BC Iron Limited

Clayton Utz  
Lawyers  
Level 27 QV,1 250 St Georges Terrace Perth WA 6000 Australia  
GPO Box P1214 Perth WA 6844  
T +61 8 9426 8000 F +61 8 9481 3095

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 60067/15807/80114591

Legal\303173263.1



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## Scheme of Arrangement made under section 411 of the Corporations Act 2001 (Commonwealth)

Parties BC Iron Limited ACN 120 646 924 of Level 1, 15 Rheola Street, West Perth,  
Western Australia, 6005 (BC Iron)

The holders of BC Iron Shares

### Recitals

- A. BC Iron is a public company incorporated in the state of Western Australia and is admitted to the official list of the ASX.
- B. Regent Pacific Group Limited (**Regent Pacific**) is a public company incorporated in the Cayman Islands and is admitted to the official list of the HKSE.
- C. Regent Pilbara Pty Ltd ACN 147 787 380 (**BidCo**) is a proprietary company incorporated in the state of Western Australia and is a wholly-owned subsidiary of Regent Pacific.
- D. BC Iron and Regent Pacific have entered into a Scheme Implementation Agreement dated [•] January 2011 (**Scheme Implementation Agreement**) pursuant to which, amongst other things, BC Iron has agreed to propose this Scheme to BC Iron Shareholders, and each of BC Iron, Regent Pacific and BidCo have agreed to take certain steps to give effect to this Scheme.
- E. If this Scheme becomes Effective, then:
- (a) all of the Scheme Shares will be transferred to BidCo and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Scheme; and
  - (b) BC Iron will enter the name and address of BidCo in the BC Iron Share Register as the holder of all of the Scheme Shares.
- F. Regent Pacific and BidCo have entered into the Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform the obligations contemplated of it under this Scheme.

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## 1. Definitions and interpretation

### 1.1 Definitions

In this Scheme, unless the contrary intention appears or the context requires otherwise:

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** means the official listing rules of ASX.

**BC Iron Share** means a fully paid ordinary share in the capital of BC Iron.

**BC Iron Share Register** means the register of members of BC Iron maintained by or on behalf of BC Iron in accordance with section 168(1) of the Corporations Act

**BC Iron Shareholder** means a person who is registered in the BC Iron Share Register as a holder of BC Iron Shares.

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Hong Kong are open for business.

**CHESS** means the clearing house electronic sub-register system of share transfers operated by ASTC.

**Condition** means a condition to this Scheme set out in clause 2.1.

**Corporations Act** means the Corporations Act 2001 (Commonwealth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as BC Iron and Regent Pacific agree in writing.

**Deed Poll** means the deed poll to be executed by Regent Pacific and BidCo in favour of the Scheme Shareholders.

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**End Date** means 31 July 2011 or such later date as is agreed by BC Iron, Regent Pacific and BidCo in writing.

**Excluded Shares** means any BC Iron Shares held by, or by any person on behalf of or for the benefit of, Regent Pacific or its Related Bodies Corporate.

**Explanatory Memorandum** means the information memorandum in respect of this Scheme approved by the Court under section 411(1) of the Corporations Act for distribution to BC Iron Shareholders containing, among other things, the explanatory statement required by Part 5.1 of the Corporations Act relating to this Scheme and a notice convening the Scheme Meeting.

**Government Authority** means any government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state or territory.

**HKSE** means The Stock Exchange of Hong Kong Limited.

**Implementation Date** means the date which is 5 Business Days after the Record Date, or such other date as BC Iron and Regent Pacific agree in writing.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Registered Address** means, in relation to a BC Iron Shareholder, the address of that BC Iron Shareholder shown in the BC Iron Share Register.

**Related Body Corporate** means the meaning given in section 9 of the Corporations Act.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between BC Iron and BC Iron Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Regent Pacific and BC Iron.

**Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of this Scheme, being A\$3.30 cash for each Scheme Share.

**Scheme Meeting** means the meeting of BC Iron Shareholders ordered by the Court in relation to this Scheme to be convened under section 411(1) of the Corporations Act.

**Scheme Share** means each BC Iron Share on issue as at 5.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person registered in the BC Iron Share Register as the holder of Scheme Shares (to avoid doubt, other than the holder of an Excluded Share).

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

## 1.2 Interpretation

In this Scheme, unless the contrary intention appears or the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) each gender includes each other gender;
- (c) references to persons includes references to individuals, corporations, other bodies corporate or bodies politic;
- (d) references to paragraphs or clauses are to a paragraph or clause of this document;
- (e) a reference to a statute, regulation or agreement is to such a statute, regulation or agreement as from time to time amended;
- (f) a reference to a person includes a reference to a person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (h) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (i) a reference to any time is a reference to that time in Perth, Australia;
- (j) a reference to "\$" or "A\$" is to the lawful currency of the Commonwealth of Australia;
- (k) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (l) the interpretation of a substantive provision is not affected by any heading; and
- (m) "includes" in any form is not a word of limitation.

### 1.3 Best and reasonable endeavours

Any provision of this Scheme which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Authority,

except where that provision expressly specifies otherwise.

### 1.4 Business Day

Except where otherwise expressly provided, where under this Scheme the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately following Business Day.

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## 2. Conditions

### 2.1 Conditions to this Scheme

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3, 4 and 5 will not come into effect unless and until each of these conditions have been satisfied:

- (a) as at 8.00 am on the Second Court Date each of the conditions set out in clause 3.1 of the Scheme Implementation Agreement (other than the condition relating to the approval of the Court set out in clause 3.1(g) of the Scheme Implementation Agreement) have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement;
- (b) as at 8.00 am on the Second Court Date the Scheme Implementation Agreement has not been terminated;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act with or without modification;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to Regent Pacific and BC Iron have been satisfied; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### 2.2 Certificates in relation to conditions

- (a) At or before the Court hearing on the Second Court Date, BC Iron and Regent Pacific will each provide to the Court a certificate (or such other evidence as the Court may request) confirming whether or not all of the conditions set out in clause 3.1 of the Scheme Implementation Agreement have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement.

- (b) The certificates given by BC Iron and Regent Pacific constitute conclusive evidence that the conditions have been satisfied or waived (as the case may be).

### **2.3 Termination of Scheme Implementation Agreement**

Without limiting any rights under the Scheme Implementation Agreement, in the event that the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00 am on the Second Court Date, BC Iron, Regent Pacific and BidCo are each released from:

- (a) any further obligation to take steps to implement this Scheme; and  
(b) any liability with respect to this Scheme.
- 

## **3. Scheme**

### **3.1 Effective Date of Scheme**

Subject to clause 3.2, this Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

---

## **4. Implementation of Scheme**

### **4.1 Lodgement**

If the Conditions are satisfied, BC Iron must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme promptly after, and in any event by no later than 4.00 pm on the Business Day following, the date on which the Court approves this Scheme (or such other Business Day as BC Iron and Regent Pacific agree in writing).

### **4.2 Transfer of Scheme Shares**

On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clause 5 and Regent Pacific and BidCo having provided BC Iron with written confirmation thereof, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to BidCo without the need for any further act by any Scheme Shareholder (other than acts performed by BC Iron or its directors as attorney or agent for Scheme Shareholders under this Scheme), by:

- (a) BC Iron delivering to BidCo a duly completed and executed share transfer form or forms to transfer all of the Scheme Shares to BidCo (executed by BC Iron as the attorney and agent of each Scheme Shareholder under clause 7.2) (which may be a master transfer of all or part of the Scheme Shares);  
(b) BidCo duly executing such share transfer form or forms and delivering it or them to BC Iron for registration; and  
(c) immediately after receipt of the share transfer form or forms under clause 4.2(b), BC Iron entering, or procuring the entry of, the name and address of BidCo in the BC Iron Share Register as the holder of all of the Scheme Shares.

#### **4.3 Provision of Scheme Consideration**

On the Implementation Date, in consideration for, and prior to, the transfer to BidCo of the Scheme Shares and subject to clauses 4.4 and 5, Regent Pacific will pay (or procure that BidCo pays) to each Scheme Shareholder the total amount of cash to which that Scheme Shareholder is entitled under clause 5 as Scheme Consideration.

#### **4.4 Provision of Scheme Consideration to the holders of Excluded Shares**

Nothing in this Scheme requires Regent Pacific or BidCo to provide Scheme Consideration to any holder of Excluded Shares.

---

### **5. Scheme Consideration**

#### **5.1 Satisfaction of payment obligation**

The obligations of Regent Pacific and BidCo under this Scheme to provide the Scheme Consideration to Scheme Shareholders will be satisfied if Regent Pacific, before 12.00 noon on the Implementation Date, deposits in cleared funds the aggregate Scheme Consideration payable to all Scheme Shareholders into an account nominated by BC Iron (the details of which must be notified by BC Iron to Regent Pacific not less than 10 Business Days prior to the Implementation Date), such amount to be held on trust by BC Iron for the Scheme Shareholders (except that any interest on the amount will be for the account of Regent Pacific) and for the purpose of BC Iron paying the Scheme Consideration to each Scheme Shareholder.

#### **5.2 Payment to Scheme Shareholders**

Subject to clause 5.1 and 5.3, BC Iron will pay the Scheme Consideration to each Scheme Shareholder on the Implementation Date by either (in the sole discretion of BC Iron):

- (a) despatching, or procuring the despatch, to that Scheme Shareholder of a pre-printed cheque in the name of that Scheme Shareholder and for the relevant amount (denominated in A\$) with such despatch to be made by pre-paid post to that Scheme Shareholder's Registered Address (as at the Record Date); or
- (b) making, or procuring the making of, a deposit for the relevant amount (denominated in A\$) in an account with any Australian authorised deposit-taking institution in Australia notified by that Scheme Shareholder to BC Iron for the purposes of the BC Iron Share Register as at the Record Date.

#### **5.3 Joint holders**

In the case of Scheme Shares held in joint names, any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the BC Iron Share Register as at 5.00 pm on the Record Date.

#### **5.4 Unclaimed Moneys**

In the event that BC Iron believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address, and no account has been notified for the purposes of clause 5.2(a) or a deposit into such an account is rejected or refunded, BC Iron may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of BC Iron to be held on trust by BC Iron for the Scheme Shareholder until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of Regent Pacific). An amount credited to the account is to be treated as having been paid to the Scheme



Shareholder when credited to the account. BC Iron must maintain records of the amounts paid, the persons who are entitled to the amounts and any transfer of the amounts.

## **6. Dealings in BC Iron Shares**

### **6.1 Dealings in BC Iron Shares by Scheme Shareholders**

For the purposes of establishing who are Scheme Shareholders, dealings in BC Iron Shares will be recognised by BC Iron provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the BC Iron Share Register as the holder of the relevant BC Iron Shares by 5.00 pm on the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the BC Iron Share Register is kept on or before 5.00 pm on the Record Date,

and BC Iron will not accept for registration, or recognise for the purpose of establishing who are Scheme Shareholders, any transmission application or transfer in respect of BC Iron Shares received after 5.00 pm on the Record Date.

### **6.2 BC Iron Share Register**

BC Iron will, until the Scheme Consideration has been paid and BidCo has been entered in the BC Iron Share Register as the holder of all of the Scheme Shares, maintain the BC Iron Share Register in accordance with the provisions of this clause 6 and the BC Iron Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

### **6.3 Information to be made available to Regent Pacific**

If Regent Pacific or BidCo so requests, BC Iron must procure that as soon as practicable following the Record Date, details of the names, registered addresses and holdings of BC Iron Shares of every Scheme Shareholder shown in the BC Iron Share Register at 5.00 pm on the Record Date are made available to Regent Pacific in such form as Regent Pacific may reasonably require.

### **6.4 Effect of Share certificates and holding statements**

As from the time at which the Scheme Consideration is provided, all share certificates and holding statements for the Scheme Shares (other than for BidCo following the Implementation Date) will cease to have effect as documents of title, and each entry on the BC Iron Share Register at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

### **6.5 No disposals after Record Date**

If this Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date.

### **6.6 Quotation of BC Iron Shares**

- (a) It is expected that suspension of trading in BC Iron Shares on the ASX will occur from the close of trading on ASX on the Effective Date.

- (b) At a time after the Implementation Date to be determined by Regent Pacific, BC Iron will apply:
  - (i) for termination of official quotation of BC Iron Shares on ASX; and
  - (ii) to have itself removed from the official list of ASX.

---

## **7. General provisions**

### **7.1 Effect of Scheme**

Each Scheme Shareholder acknowledges that this Scheme binds BC Iron and all of the holders for the time being of BC Iron Shares (including those who do not attend the meeting of BC Iron Shareholders to approve this Scheme or who do not vote at that meeting or who vote against this Scheme at that meeting) and, to the extent permitted by law, overrides the constitution of BC Iron.

### **7.2 Appointment of agent and attorney**

Each Scheme Shareholder, without the need for any further act, is deemed to have irrevocably appointed BC Iron as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the share transfer(s) to be delivered under clause 4.2(a) and the giving of the Scheme Shareholders' consent under clause 7.4; and
- (b) enforcing the Deed Poll against Regent Pacific and BidCo,

and BC Iron accepts such appointment. BC Iron, as agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

### **7.3 Enforcement of Deed Poll**

BC Iron undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Regent Pacific and BidCo on behalf of and as agent and attorney for the Scheme Shareholders.

### **7.4 Scheme Shareholders' agreement and consent**

Each Scheme Shareholder irrevocably:

- (a) agrees to the transfer of its Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to BidCo in accordance with the terms of this Scheme;
- (b) consents to BC Iron, Regent Pacific and BidCo doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme; and
- (c) acknowledges that this Scheme binds BC Iron and all of the BC Iron Shareholders from time to time (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme).

## **7.5 Transfer with clear title and warranty by Scheme Shareholders**

- (a) To the extent permitted by law, the Scheme Shares transferred to BidCo under this Scheme must be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to BC Iron, in its own right and for the benefit of each of Regent Pacific and BidCo, that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to BidCo, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to BidCo under this Scheme.

## **7.6 Title to Scheme Shares**

BidCo will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by BC Iron of BidCo in the BC Iron Share Register as the holder of the Scheme Shares.

## **7.7 Appointment of BidCo as sole proxy**

From the time at which the Scheme Consideration is provided until BC Iron registers BidCo as the holder of all of the BC Iron Shares in the BC Iron Share Register, each Scheme Shareholder:

- (a) appoints BidCo as attorney and agent (and directs BidCo in each capacity) to appoint any officer or agent nominated by BidCo as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to BC Iron Shares registered in its name and sign any shareholders' resolutions, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.7(a)); and
- (b) must take all other actions in the capacity of the registered holder of BC Iron Shares as BidCo directs.

## **7.8 Alterations or conditions**

BC Iron may, by its counsel or solicitors, and with the consent of Regent Pacific and BidCo, consent on behalf of all persons concerned, including a Scheme Shareholder, to any alteration or condition to this Scheme which the Court thinks fit to make or impose.

## **7.9 Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to BC Iron, it will for all purposes be deemed to be received on the date (if any) on which it is actually received at BC Iron's registered office (and it will not be deemed to be received in the ordinary course of post).
- (b) The accidental omission to give notice of the Scheme Meeting to any BC Iron Shareholder, or the non-receipt of such a notice by any BC Iron Shareholder, will not, unless ordered by the Court, invalidate this Scheme or the proceedings at the Scheme Meeting.

#### **7.10 Inconsistencies**

This Scheme binds BC Iron and all BC Iron Shareholders, and to the extent of any inconsistency, overrides the constitution of BC Iron.

#### **7.11 Further assurances**

The BC Iron Shareholders consent to BC Iron doing all things necessary for the implementation and performance of its obligations under this Scheme. BC Iron will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

#### **7.12 Stamp duty**

BidCo will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to BidCo.

#### **7.13 Fees and charges**

BC Iron must pay all filing, application or similar fees due in relation to this Scheme.

#### **7.14 Governing law**

This Scheme is governed by the laws of the State of Western Australia. Each of BC Iron, Regent Pacific, BidCo and the holders of BC Iron Shares irrevocably and unconditionally submits, in connection with this Scheme, to the non-exclusive jurisdiction of the Court and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

#### **7.15 Limitation of liability**

None of BC Iron, Regent Pacific nor BidCo nor any officer of any of them is liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Annexure B :  
Deed Poll

## Deed Poll

Regent Pacific Group Limited  
Regent Pacific

Regent Pilbara Pty Limited  
BidCo

In favour of each Scheme Shareholder

Clayton Utz  
Lawyers  
Level 27 QV.1 250 St Georges Terrace Perth WA 6000 Australia  
GPO Box P1214 Perth WA 6844  
T +61 8 9426 8000 F +61 8 9481 3095

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 60067/60114591

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Deed poll made on

2011

**Parties**

**Regent Pacific Group Limited**, a company existing under the laws of the Cayman Islands, of P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies (**Regent Pacific**)

**Regent Pilbara Pty Ltd ACN 147 787 380** of c/- Clayton Utz, Level 27, QV.1 Building, 250 St Georges Terrace, Perth, Western Australia (**BidCo**)

**In favour of**

**Each holder of fully paid ordinary shares in the capital of BC Iron Limited ACN 120 646 924 (BC Iron)** on issue as at 5.00 pm on the Record Date (Scheme Shareholders)

**Recitals**

- A. BC Iron, Regent Pacific and BidCo have entered into a Scheme Implementation Agreement dated [●] January 2011 (**Scheme Implementation Agreement**).
- B. BC Iron has agreed in the Scheme Implementation Agreement to propose a scheme of arrangement between BC Iron and the holders of fully paid ordinary shares in BC Iron, the effect of which will be that BidCo acquires all of the Scheme Shares from Scheme Shareholders in exchange for the Scheme Consideration.
- C. In accordance with clause [4.2(f)] of the Scheme Implementation Agreement, each of Regent Pacific and BidCo is entering into this deed poll to covenant in favour of Scheme Shareholders that it will observe and perform its obligations under the Scheme, as if named as a party to the Scheme.

---

**1. Definitions and interpretations**
**1.1 Definitions**

In this deed poll:

- (a) **Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between BC Iron and the Scheme Shareholders, a copy of which is annexed to this deed poll; and
- (b) capitalised terms have the meanings given to them in the Scheme, unless the context requires otherwise.

**1.2 Interpretation**

In this deed poll, unless the contrary intention appears or the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) each gender includes each other gender;
- (c) references to persons includes references to individuals, corporations, other bodies corporate or bodies politic;
- (d) references to paragraphs or clauses are to a paragraph or clause of this deed poll;



- (e) a reference to a statute, regulation or agreement is to such a statute, regulation or agreement as from time to time amended;
- (f) a reference to a person includes a reference to a person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (h) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (i) a reference to any time is a reference to that time in Perth, Western Australia;
- (j) a reference to "A\$" is to the lawful currency of the Commonwealth of Australia;
- (k) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (l) the interpretation of a substantive provision is not affected by any heading; and
- (m) "includes" in any form is not a word of limitation.

### 1.3 Nature of deed poll

Each of Regent Pacific and BidCo acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints BC Iron as its agent and attorney to enforce this deed poll against Regent Pacific and BidCo (as applicable).

---

## 2. Condition

### 2.1 Condition

The obligations of each of Regent Pacific and BidCo under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

If the Scheme Implementation Agreement is terminated or the Scheme does not become Effective on or before the End Date, the obligations of each of Regent Pacific and BidCo under this deed poll automatically terminate and the terms of this deed poll will be of no further force or effect.

### 2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Regent Pacific and BidCo are released from its obligations to further perform this deed poll except those obligations under clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights they have against each of Regent Pacific and BidCo in respect of any breach of this deed poll by Regent Pacific or BidCo which occurs before this deed poll is terminated.

---

### 3. Compliance with Scheme obligations

#### 3.1 Scheme Consideration

Subject to clause 2, each of Regent Pacific and BidCo undertakes in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder; and
  - (b) undertake all other actions attributed to it under the Scheme,
- in accordance with the Scheme.

---

### 4. Warranties

- (a) Regent Pacific represents and warrants that:
  - (i) it is a corporation validly existing under the laws of its place of registration;
  - (ii) the execution and delivery by it of this deed poll has been (or prior to the Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has full corporate power (including shareholder approval) and lawful authority to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and
  - (iii) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
    - A. the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate; or
    - B. any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.
- (b) BidCo represents and warrants that:
  - (i) BidCo is a corporation limited by shares under the Corporations Act;
  - (ii) the execution and delivery by it of this deed poll has been (or prior to the Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has full corporate power and lawful authority to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and

- (iii) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
- A. its constitution; or
  - B. any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.

## 5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) each of Regent Pacific and BidCo has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

## 6. Scheme

Without limiting anything in clause 3, each of Regent Pacific and BidCo will be bound by and will comply with all provisions of the Scheme.

## 7. General

### 7.1 Notices

- (a) All notices or other communication to Regent Pacific or BidCo in respect of this deed poll must be:
  - (i) in writing;
  - (ii) signed by the sender or by a person duly authorised by the sender;
  - (iii) must be delivered or sent by prepaid ordinary post to the address, or sent by fax to the fax number, of Regent Pacific or BidCo or given in any other way permitted by law, in each case addressed in the manner relevantly described below:

Address: P.O. Box 309 Uglan House  
South Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

Facsimile: +852 2810 4792

For the attention of: Jamie Gibson and David Church

With a copy to:

Address: Clayton Utz  
Level 27, QV1 Building  
250 St Georges Tce  
Perth WA 6000

Facsimile: +61 (8) 9481 3095

For the attention of: Heath Lewis

- (b) Any notice or other communication given in accordance with clause 7.1(a) will, in the absence of proof of earlier receipt, be deemed to have been duly given as follows:
- (i) if delivered by hand, on delivery at the address of the addressee, unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day;
  - (ii) if sent by pre-paid mail, on the third Business Day after posting; and
  - (iii) if sent by facsimile, at the local time (in the place of receipt of the facsimile) which then equates to the time at which that facsimile is sent as shown on the transmission report which is produced by the machine from which that facsimile is sent and which confirms transmission of that facsimile in its entirety, unless that local time is a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day.

## 7.2 Stamp duty

Regent Pacific and BidCo will:

- (a) pay or procure the payment of all transaction duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll (including in connection with the transfer of BC Iron Shares to BidCo in accordance with the terms of the Scheme); and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.2(a).

## 7.3 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this deed poll; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,
 does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.

- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause may not itself be waived except in writing.

#### **7.4 Variation**

This deed poll may be amended only by another deed poll entered into by Regent Pacific and BidCo, and then only if the amendment is agreed to by BC Iron, and the Court indicates that the amendment would not preclude approval of the Scheme.

#### **7.5 Cumulative rights**

The rights, powers and remedies of Regent Pacific, BidCo and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

#### **7.6 Assignment**

The rights and obligations of each of Regent Pacific and BidCo and the rights of each Scheme Shareholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

#### **7.7 Further action**

Regent Pacific and BidCo will promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll.

#### **7.8 Governing law and jurisdiction**

- (a) This deed poll is governed by the laws of the state of Western Australia.
- (b) Each of Regent Pacific and BidCo irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the state of Western Australia for any proceedings in connection with this deed poll and waives any right it may have to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum.

Executed as a deed poll.

Executed by  
Regent Pacific Group Limited in the  
presence of:

\_\_\_\_\_  
(Signature of Secretary/other Director)

\_\_\_\_\_  
(Name of Secretary/other Director in full)

Executed by  
Regent Pilbara Pty Ltd  
ACN 147 787 380  
in accordance with section 127 of the  
Corporations Act 2001 (Cth):

\_\_\_\_\_  
(Signature of Secretary/other Director)

\_\_\_\_\_  
(Name of Secretary/other Director in full)

\_\_\_\_\_  
(Signature of Director)

\_\_\_\_\_  
(Name of Director in full)

\_\_\_\_\_  
(Signature of Director)

\_\_\_\_\_  
(Name of Director in full)

FINAL

Attachment:  
Scheme