

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

BC Iron Limited (BC Iron)

ABN

21 120 646 924

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | 1) Unlisted performance rights expiring 22 August 2022 lapsing
2) Unlisted performance rights expiring 27 October 2022 issued |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1) 500,000 performance rights lapsing
2) 500,000 |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>1) Performance rights lapsing under the BC Iron Employee Performance Rights Plan, due to employees ceasing employment with the Company.</p> <p>2) Performance rights issued to employees under the BC Iron Employee Performance Rights Plan. Each right entitles the employee to one ordinary share for nil consideration subject to the satisfaction of specified performance hurdles.</p> <p>Vesting of rights is subject to the Company meeting certain performance hurdles for the financial years ending 30 June 2018 and the relevant employee remaining employed by the Company for 12 months after the relevant performance hurdles are met.</p> <p>Rights expire at the earlier of the date the employee ceases to be employed or 27 October 2022.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1) N/A</p> <p>2) No. The shares issued upon vesting of the Performance Rights will rank equally with existing Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>1) N/A</p> <p>2) Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1) N/A</p> <p>2) Performance rights issued to employees under the BC Iron Employee Performance Rights Plan.</p>

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>25 November 2016</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>1) N/A 2) Nil</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>1) N/A 2) Nil</p>
6e	<p>Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>1) N/A 2) Nil</p>
6f	<p>Number of +securities issued under an exception in rule 7.2</p>	<p>1) N/A 2) 500,000 performance rights were issued to employees under the BC Iron Employee Performance Rights Plan which was approved by shareholders for the purpose of exception 9(b) of the ASX Listing Rule 7.2 at the 2016 AGM.</p>
6g	<p>If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>N/A</p>
6h	<p>If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Remaining capacity under Listing Rule 7.1: 59,245,337 Remaining capacity under Listing Rule 7.1A: 39,496,891
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7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1) 22 August 2017 2) 27 October 2017
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8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>394,968,910</td> <td>Fully paid ordinary shares (ASX: BCI)</td> </tr> </tbody> </table>	Number	+Class	394,968,910	Fully paid ordinary shares (ASX: BCI)
Number	+Class					
394,968,910	Fully paid ordinary shares (ASX: BCI)					

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	500,000	Performance Rights expiring 27 October 2022
		6,250,000	Performance Rights expiring 21 August 2022
		1,200,000	Performance Rights expiring 14 March 2022
		800,000	Performance Rights expiring 19 December 2021
		4,000,000	Performance Rights expiring 24 May 2021
		802,271	Performance Rights expiring 8 September 2022
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	BC Iron may pay dividends to ordinary shareholders as the directors resolve.	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A

28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

N/A

- 39 +Class of +securities for which quotation is sought

N/A

- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- | |
|-----|
| N/A |
|-----|
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
- | |
|-----|
| N/A |
|-----|
- | | |
|--------|--------|
| Number | +Class |
|--------|--------|

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	196,263,455
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>196,263,455 fully paid ordinary shares issued by the Company on 18 November 2016 pursuant to a rights issue prospectus issued by the Company and dated 17 October 2016 (Exception 1 of Listing Rule 7.2)</p> <p>1,980,000 fully paid ordinary shares issued by the Company on 22 August 2017 on vesting of performance rights issued under the BC Iron Employee Performance Rights Plan approved by shareholders under Exception 9(b) of Listing Rule 7.2 at the 2016 AGM</p> <p>462,000 fully paid ordinary shares issued by the Company on 4 September 2017 on vesting of performance rights issued under the BC Iron Employee Performance Rights Plan approved by shareholders under Exception 9(b) of Listing Rule 7.2 at the 2016 AGM</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	394,968,910

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	59,245,337
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	59,245,337
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	59,245,337 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	394,968,910
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	39,496,891
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	39,496,891
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	39,496,891 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.