

# 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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**BC Iron Limited**

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   | Ordinary shares (BCI)  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (a) 8,500,000 ordinary shares pursuant to a Placement<br><br>(b) 11,461,000 ordinary shares pursuant to Entitlements Offer |
| 3 | Principal terms of the +securities (eg, 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) | Ordinary shares (BCI)  |

+ See chapter 19 for defined terms.

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Shares issued will rank equally with existing quoted securities.</p>				
<p>5 Issue price or consideration</p>	<p>\$1.10 per share</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be applied towards the following:</p> <p>(a) costs and expenses associated with the Nullagine Iron Ore Project; and</p> <p>(b) costs of corporate administration and working capital.</p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>(a) Shares issued under a Placement – 29 June 2009</p> <p>(b) Shares issued under Entitlement Offer – 24 July 2009</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1355 989 1400">Number</th> <th data-bbox="989 1355 1281 1400"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1400 989 1612">80,227,000</td> <td data-bbox="989 1400 1281 1612">Ordinary fully paid shares (BCI)</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	80,227,000	Ordinary fully paid shares (BCI)
Number	<sup>+</sup> Class				
80,227,000	Ordinary fully paid shares (BCI)				

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,884,000	Directors and promoter's options exercisable at 25 cents expiring 15 Dec 09 (BCIAM)
	500,000	Director's options exercisable at 30 cents expiring 15 Dec 09 (BCIAO)
	300,000	Employee options exercisable at 72 cents expiring 19 Feb 10 (BCIAQ)
	50,000	Employee options exercisable at \$1.50 expiring 31 Aug 09 (BCIAS)
	25,000	Options exercisable at \$1.50 expiring 31 Aug 09 (BCIAS)
	500,000	MD options exercisable at \$1.85 expiring 15 Aug 11 (BCIAI)
	500,000	MD options exercisable at \$2.00 expiring 15 Aug 11 (BCIAI)
	500,000	Employee options exercisable at from \$1.25 - \$2.00 expiring 21 Aug 11
	250,000	Consultant options exercisable at \$0.65 expiring 31 Mar 12 (BCIAK)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Company may pay dividends to ordinary shareholders as the Directors resolve but only out of profits of the Company.
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## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable

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13	Ratio in which the +securities will be offered	1 for 6
14	+Class of +securities to which the offer relates	Ordinary Shares (BCI)
15	+Record date to determine entitlements	3 July 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Holdings in the same name are aggregated for calculation of Entitlements.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number of New Shares.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	PNG, UK, Taiwan, Thailand, Netherlands, China, Hong Kong, Japan, Switzerland
19	Closing date for receipt of acceptances or renunciations	20 July 2009

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+ See chapter 19 for defined terms.

20	Names of any underwriters	Argonaut Capital Limited
21	Amount of any underwriting fee or commission	5%
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 prospectus or Product Disclosure Statement will be sent to persons entitled	6 July 2009
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

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- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### 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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>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 <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**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	<p>Do the +securities rank equally in all respects from the date of allotment 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  ..... Date: .25 June 2009  
Company Secretary

Print name: **Simon Storm**

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