



BC IRON LIMITED
ABN 21 120 646 924

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
The Celtic Club, 48 Ord Street West Perth
on Wednesday, 18 November 2009 commencing at 10am WST**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their accountant,
solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of BC Iron Limited (ABN 21 120 646 924) will be held at The Celtic Club, 48 Ord Street West Perth on Wednesday, 18 November 2009 commencing at 10am WST.

BUSINESS OF THE MEETING

ANNUAL REPORT 2009

To receive and consider the annual financial report of the Company, the Directors' Report and the Independent Audit Report for the year ended 30 June 2009. The annual accounts are available on the Company's website www.bciron.com.au

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 30 June 2009. "

Short Explanation:

The Corporations Act provides that a resolution for the Remuneration Report to be adopted must be put to a vote at a listed company's annual general meeting. The vote on the Remuneration Report is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 – RE-ELECTION OF ANTHONY KIERNAN AS A DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"To elect as a Director of the Company, Anthony Kiernan, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election."

RESOLUTION 3 – RATIFICATION OF PREVIOUS SHARE ISSUE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders of the Company approve and ratify the prior issue of 8,500,000 fully paid ordinary shares at \$1.10 per share on 29 June 2009 to sophisticated and professional investors to fund the Company's share of costs for the Nullagine Iron Ore project, general corporate purposes and ongoing working capital requirements of the Company."

Voting Exclusion

For the purposes of ASX Listing Rule 7.5.6 in relation to Resolution 3, the Company will disregard any votes cast by or on behalf of a person who participated in the placement or any of their respective associates.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

General Business

To transact any other business that may be lawfully brought before this meeting.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in both this Notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 10am WST on 16 November 2009 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By Order of the Board of Directors



Simon Storm
Company Secretary

13 October 2009

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting of the Company convened for Wednesday, 18 November 2009 commencing at 10am WST.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

BUSINESS OF THE MEETING

Annual Report 2009

Section 317 of the Corporations Act requires the Directors to lay before the Annual General Meeting the financial report, Directors' report (including the remuneration report) and the auditor's report for the last financial year that ended before the Annual General Meeting.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders at the Annual General Meeting (save for Resolution 1 for the adoption of the remuneration report).

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R of the Corporations Act requires that a resolution must be put to the vote at the Company's annual general meeting that the remuneration report be adopted. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions, or make comments on, the remuneration report at the Annual General Meeting.

RESOLUTION 2 – RE-ELECTION OF ANTHONY KIERNAN AS A DIRECTOR

In accordance with rule 11.2 of the Company's Constitution, at each Annual General Meeting of the Company one third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3 need to retire from office by rotation, but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the Directors retiring from office.

Accordingly, Mr Kiernan is required to retire by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-election as a Director.

Further information on Mr Kiernan is included in the 2009 Annual Report.

RESOLUTION 3 – RATIFICATION OF PREVIOUS SHARE ISSUE

On 19 June 2009, the Company announced to ASX that it had completed a placement to raise approximately \$9.4 million through the issue of 8,500,000 Shares.

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under this resolution, the Company seeks from Shareholders approval for, and ratification of, the issue of the placement shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following information to be given to Shareholders with respect to the placement:

- (a) 8,500,000 Shares were allotted at an issue price of \$1.10 per Share;
- (b) the Shares were issued on the same terms as and rank equally with the other Shares in the Company;
- (c) the Shares were issued to sophisticated and professional investors introduced by Argonaut Securities Pty Ltd; and
- (d) the Company intends to use the funds raised under the placement to fund the Company's share of costs for the Nullagine Iron Ore project, general corporate purposes and ongoing working capital requirements of the Company.

The Board believes that the ratification of the issue of the placement Shares is beneficial for the Company and recommends Shareholders vote in favour of resolution 3. Such an approval allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. As at the date of this Notice of Annual General Meeting, the Board has no intention to issue further securities in that period however, approval is sought to ensure that the Company retains the flexibility to issue further securities if it is in the best interest of the Company to do so.

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited.
ASX Listing Rules or Listing Rules	official listing rules of ASX.
Board	board of Directors.
Company	BC Iron Limited ABN 21 120 646 924.
Constitution	constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Director	director of the Company.
Share(s)	fully paid ordinary share(s) in the capital of the Company.
Shareholder	shareholder of the Company.
WST	Western Standard Time.

Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (Company),
Insert name of shareholder company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of BC Iron Limited to be held on Wednesday, 18 November 2009 commencing at 10am WST and at any adjournments of that meeting/all meetings of the members of BC Iron Limited.

DATED 2009

Please sign here

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
4. Insert the date of execution where indicated.
5. Send or deliver the Certificate to BC Iron Limited's registered office at Level 1, 15 Rheola Street, West Perth Western Australia 6005 or fax to the registered office on (08) 6311 3449.

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of BC Iron Limited and entitled to attend and vote hereby appoint

The Chairman
of the meeting

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of BC Iron Limited to be held at The Celtic Club, 48 Ord Street West Perth on Thursday, 18 November 2009 at 10am WST and at any adjournment of that meeting.

IMPORTANT

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.



Voting directions to your proxy – please mark to indicate your directions

Special Business

		For	Against	Abstain*
Resolution 1.	ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	RE-ELECTION OF ANTHONY KIERNAN AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	RATIFICATION OF PREVIOUS SHARE ISSUE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

 %

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning, the Company Secretary on (08) 6311 3400 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | where the holding is in one name, the holder must sign. |
| Joint Holding: | where the holding is in more than one name, all of the shareholders should sign. |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Annual General Meeting or may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. ie. no later than 10am WST on 16 November 2009. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the company's registered office at Level 1, 15 Rheola Street, West Perth Western Australia or sent by facsimile to the registered office on (08) 6311 3449.