



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, Western Australia
on Tuesday, 20 November 2012 commencing at 11.00am (WST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your 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, Western Australia on Tuesday, 20 November 2012 commencing at 11.00am (WST).

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS AND REPORTS 2012

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 2012.

Copies of these reports have been sent to Shareholders and are available on the Company's website - www.bcion.com.au.

ORDINARY BUSINESS

RESOLUTION 1 – RE-ELECTION OF MR TERRENCE RANSTED AS DIRECTOR

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

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

RESOLUTION 2 – ELECTION OF MR MALCOLM MCCOMAS AS DIRECTOR

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

To elect as Director of the Company, Mr Malcolm McComas, who was appointed as a Director of the Company since the last general meeting and, being eligible, offers himself for election.

RESOLUTION 3 – ELECTION OF MR MORGAN BALL AS DIRECTOR

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

To elect as Director of the Company, Mr Morgan Ball, who was appointed as a Director of the Company since the last general meeting and, being eligible, offers himself for election.

RESOLUTION 4 – ELECTION OF MR JAMIE GIBSON AS DIRECTOR

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

To elect as Director of the Company, Mr Jamie Gibson, who was appointed as a Director of the Company since the last general meeting and, being eligible, offers himself for election.

RESOLUTION 5 – ADOPTION OF REMUNERATION REPORT

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

To adopt the Remuneration Report for the year ended 30 June 2012.

Note - The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

Voting exclusion:

The Company will disregard any vote cast on Resolution 5 by, or on behalf of:

- (a) a member of the key management personnel as disclosed in the Remuneration Report (“**Key Management Personnel**”); and
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

SPECIAL BUSINESS

RESOLUTION 6 – GRANT OF PERFORMANCE RIGHTS TO MR MICHAEL YOUNG

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

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to grant performance rights (and the issue of Shares if those performance rights vest) to the Managing Director of the Company, Mr Michael Young, with respect to the financial year ending 30 June 2013, in accordance with the BC Iron Limited Employee Performance Rights Plan (“Plan”) and on the terms set out in the Explanatory Statement.

Voting exclusions:

The Company will disregard any vote cast on Resolution 6 by Mr Michael Young and Mr Morgan Ball and any of their associates, unless:

- (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.

Further, a member of Key Management Personnel and their closely related parties may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote.

RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO MR MORGAN BALL

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

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to grant performance rights (and the issue of Shares if those performance rights vest) to the Finance Director of the Company, Mr Morgan Ball, with respect to the financial years ending 30 June 2012 and 30 June 2013, in accordance with the Plan and on the terms set out in the Explanatory Statement.

Voting exclusions:

The Company will disregard any vote cast on Resolution 7 by Mr Morgan Ball and Mr Michael Young and any of their associates, unless:

- (c) 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
- (d) 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.

Further, a member of Key Management Personnel and their closely related parties may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote.

By order of the Board of Directors



Linda Edge
Company Secretary
4 September 2012

Important information for Shareholders

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

All Resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

Proxies

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form must be received by no later than **11.00am (WST) on Sunday 18 November 2012**, being not less than 48 hours prior to the commencement of the meeting.

Proxy forms should be sent to Computershare Investor Services at GPO Box 242 Melbourne Victoria 3001 Australia or faxed to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with this Notice of Meeting.

Voting entitlements

The Board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are the registered holders of Shares at 4.00pm (WST) on Friday 16 November 2012.



BC Iron Limited
ABN 21 120 646 924

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 Tuesday, 20 November 2012 commencing at 11.00am (WST).

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

FINANCIAL STATEMENTS AND REPORTS 2012

The Corporations Act requires the Company 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. Copies of these reports have been sent to Shareholders and are available on the Company's website - www.bcion.com.au.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

RESOLUTION 1 – RE-ELECTION OF MR TERENCE RANSTED AS DIRECTOR

In accordance with clause 11.2 of the Company's Constitution, at each Annual General Meeting of the Company, one-third of the Directors (other than the Managing Director), or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, need to retire from office by rotation. Further, and in accordance with the ASX Listing Rules, no Director may retain office for more than three years without submitting himself or herself for re-election even though this would result in more than one-third of the Directors retiring from office.

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

Further information on Mr Ransted is included in the 2012 Annual Report which is available on the Company's website - www.bcion.com.au.

Recommendation: The Directors (excluding Mr Ransted) recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – ELECTION OF MR MALCOLM MCCOMAS AS DIRECTOR

Mr McComas was appointed as a Director by the Board on 2 December 2011. In accordance with clause 11.4 of the Company's Constitution, the Board can appoint a person to be a Director, either to fill a causal vacancy or in addition to the existing Directors. However, any Director so appointed by the Board holds office until the next general meeting of the Company. Accordingly, Mr McComas is required to retire at the Annual General Meeting, and being eligible, offers himself for election as a Director.

Further information on Mr McComas is included in the 2012 Annual Report which is available on the Company's website - www.bcion.com.au.

Recommendation: The Directors (excluding Mr McComas) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF MR MORGAN BALL AS DIRECTOR

Mr Ball, the Company's Chief Financial Officer, was appointed an Executive Director by the Board on 6 December 2011. In accordance with clause 11.4 of the Company's Constitution, the Board can appoint a person to be a Director, either to fill a causal vacancy or in addition to the existing Directors. However, any Director so appointed by the Board holds office until the next general meeting of the Company. Accordingly, Mr Ball is required to retire at the Annual General Meeting, and being eligible, offers himself for election as a Director.

Further information on Mr Ball is included in the 2012 Annual Report which is available on the Company's website - www.bcion.com.au.

Recommendation: The Directors (excluding Mr Ball) recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – ELECTION OF MR JAMIE GIBSON AS DIRECTOR

Mr Gibson was appointed as a Director by the Board on 16 July 2012. In accordance with clause 11.4 of the Company's Constitution, the Board can appoint a person to be a Director, either to fill a causal vacancy or in addition to the existing Directors. However, any Director so appointed by the Board holds office until the next general meeting of the Company. Accordingly, Mr Gibson is required to retire at the Annual General Meeting, and being eligible, offers himself for election as a Director.

Further information on Mr Gibson is included in the 2012 Annual Report which is available on the Company's website - www.bcion.com.au.

Recommendation: The Directors (excluding Mr Gibson) recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – ADOPTION OF REMUNERATION REPORT

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive Directors, executive Directors and senior executives and is set out in the Company's 2012 Annual Report. The Company takes ongoing advice from an independent remuneration consultant in relation to its remunerations practices. The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be provided with a reasonable opportunity to ask questions, or make comments on, the remuneration report at the Annual General Meeting.

As a result of recent amendments to the Corporations Act, the Chairman of the Meeting is entitled to vote undirected proxies on this resolution which is connected with the remuneration of the Company's Key Management Personnel. If you appoint the Chairman as your proxy and wish to support this resolution, please mark an "X" in the box at the end of Step 1 in the Proxy Form.

Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 5.

RESOLUTIONS 6 & 7 – GRANT OF PERFORMANCE RIGHTS

Background

Shareholder approval is being sought for the grant of performance rights to the Managing Director of the Company, Mr Michael Young, and the Finance Director of the Company, Mr Morgan Ball, in accordance with the BC Iron Employee Performance Rights Plan ("**Plan**"). The Plan was approved by Shareholders at the 2010 Annual General Meeting as an exception to the Company's 15% placement capacity in accordance with Listing Rule 7.2 (Exception 9).

The Company established the Plan to provide its executives with long term incentives which create a link between the delivery of value to shareholders, financial performance and rewarding and retaining executives.

Under their respective employment agreements, Mr Young and Mr Ball are currently entitled to receive fixed annual remuneration of a base salary plus statutory superannuation of \$545,000 and \$436,000 respectively. In addition, subject to the Board's discretion, Mr Young and Mr Ball may be entitled to a variable remuneration component in the form of a short-term incentive component (which is in cash and based on meeting defined key performance indicators), and a long term incentive component made up of an equity component, namely options or performance rights (subject to requisite shareholder approvals first being obtained) and a cash component. Any total variable incentive payable is capped at 110% of fixed remuneration for Mr Young and 100% of fixed remuneration for Mr Ball, in the relevant year.

Under the Plan, the Board has the discretion to grant performance rights to any person it declares eligible upon the terms set out in the Plan. A performance right is, in effect, a contractual right to be issued with a fully paid ordinary share in the Company ("**Share**") on the satisfaction of certain conditions.

Approvals sought

The Listing Rules require that shareholder approval be obtained for the acquisition of securities by directors under an employee incentive scheme. Both Mr Young and Mr Ball are directors of the Company.

As detailed above, Mr Ball was appointed as a director in December 2011. Accordingly, Shareholder approval is now being sought to grant 69,206 performance rights to Mr Ball in relation to the year ended 30 June 2012. These performance rights are subject to specific performance conditions and are not available to potentially vest into Shares until 1 July 2014. Approval for the grant of performance rights to Mr Young in relation to the year ended 30 June 2012 was obtained at last year's Annual General Meeting.

Shareholder approval is also being sought to grant up to 150,000 performance rights, to each of Mr Young and Mr Ball for the year ending 30 June 2013, the actual number of which will be calculated after 30 June 2013, based on the issue formula set out below. These performance rights will not vest into Shares until 1 July 2015, and this is contingent upon the nominated performance conditions being satisfied.

View of the Non-Executive Directors

As detailed below, a relative Total Shareholder Return (“TSR”) performance condition has been chosen to determine vesting of performance rights as it is widely recognised as one of the best indicators of shareholder value creation. TSR represents the change in market value of the Company over time, including dividends and any other distributions made to shareholders.

The non-executive Directors believe that it is appropriate to provide Mr Young and Mr Ball with long-term incentive elements in their remuneration packages which are directly related to total shareholder return. The grant of performance rights forges a direct link as between remuneration and the overall return to Shareholders. The long term incentive is also cast in such a way as it constitutes an incentive for the recipient to remain with the Company for a considerable period of time. As shown in the example below (at the end of the paragraph headed Summary) the performance rights issued in relation to the year ended 30 June 2012 will not vest until 1 July 2014 at the earliest (subject to the satisfaction of the performance conditions) and require the recipient to be an employee at that time.

The non-executive Directors are of the view that the remuneration for Mr Young and Mr Ball, including the proposed grant of performance rights, is reasonable having regard to their positions in the Company, the duties and responsibilities of their positions and market levels of remuneration for Managing Directors, Finance Directors and/or Chief Financial Officers of similar companies. In arriving at their view, the non-executive Directors were assisted by an independent remuneration consultant engaged by the Remuneration Committee. The independent remuneration consultant assisted in the implementation of the remuneration structure and also conducted remuneration benchmarking against peer companies to aid in the decision making by the non-executive Directors.

Terms of the Performance Rights

All performance rights to be granted will be on terms consistent with the rules of the Plan.

The key terms of the performance rights are as follows:

Grant of performance rights

Mr Young and Mr Ball may be invited to apply for, and if that application is accepted, will be issued, the number of performance rights to be determined in accordance with the following formula:

$$P = 0.4 \times \frac{S}{VWAP}$$

(“Issue Formula”)

Where:

- ‘P’ is the whole number of performance rights under the Plan for which the Executive will be invited to apply;
- ‘S’ is the sum of Mr Young or Mr Ball’s fixed base salary and superannuation payable for the applicable period; and
- ‘VWAP’ is the 30 day volume weighted average price of ordinary shares in the Company on the ASX at 30 June of the relevant financial year.

Each performance right is an entitlement to one Share, subject to satisfaction of the performance and vesting conditions outlined below.

Performance conditions

The performance rights issued will not vest (and the underlying Shares will not be issued) unless certain performance conditions have been satisfied. The grant of performance rights is designed to reward long term sustainable business performance measured by relative TSR performance conditions over a two year period.

The performance conditions will be measured by comparing the Company’s TSR with that of a comparator group of companies based on the Argonaut Junior Iron Ore Index (as defined in the Glossary below) over the period from 1 July in the financial year to which the grant of the performance rights relates to 30 June in the financial year that is 2 years after that date (**“Vesting Date”**) – see the example below by way of illustration.

The performance rights will vest depending on the Company’s percentile ranking within the comparator group on the relevant Vesting date as follows:

BC Iron TSR rank	Performance rights vesting
Below 50 th percentile	0%
At 50 th percentile	50%
Between 51 st and 100 th percentile	Between 51% and 100% on a straight line basis

In addition, the performance rights will not vest if the recipient is not an employee as at the vesting date.

Consideration

No consideration is payable by Mr Young or Mr Ball at the time of the grant of the performance rights or upon the allocation of Shares to which they may become entitled on the vesting dates

Summary

For additional clarity, if Resolutions 6 and 7 are approved by Shareholders, the performance rights to be issued to Mr Young and Mr Ball will be calculated and treated as follows:

Tranche 1 – 2012 Financial Year

- On or about 20 November 2012, Mr Ball will be issued at no cost 69,206 performance rights (“**Tranche 1**”) calculated in accordance with the Issue Formula above by reference to Mr Ball’s fixed remuneration as at 30 June 2012 and the Company’s VWAP of \$2.52 over the 30 days to 30 June 2012.
- On 30 June 2014, the performance of the Company will be evaluated over the period 1 July 2012 to 30 June 2014 by reference to the TSR over that period, and some or all of the Tranche 1 performance rights will vest in Mr Ball according to the TSR criteria set out above. If the TSR criteria are not met, then no performance rights will vest for conversion into Shares.
- Mr Ball may then convert the vested Tranche 1 performance rights to Shares in the Company at no cost.

Tranche 2 – 2013 Financial Year

- On or about 1 July 2013, Mr Young and Mr Ball will each be issued at no cost a number of performance rights (“**Tranche 2**”) calculated in accordance with the Issue Formula above by reference to their fixed remuneration as at 30 June 2013 and the Company’s VWAP over the 30 days to 30 June 2013. The maximum number of Tranche 2 performance rights that could be issued will be 150,000 to each of Mr Young and Mr Ball.
- On 30 June 2015, the performance of the Company will be evaluated over the period 1 July 2013 to 30 June 2015 by reference to the TSR over that period, and some or all of the Tranche 2 performance rights will vest in Mr Young and Mr Ball according to the TSR criteria set out above. If the TSR criteria are not met, then no performance rights will vest for conversion into Shares.
- Mr Young and Mr Ball may then convert the vested Tranche 2 performance rights to Shares in the Company at no cost.

Example: An employee of the Company is issued 60,000 performance rights in July 2012. If the Company's TSR was at the 50% percentile for the two year period from 1 July 2012 to 30 June 2014, this would mean that only 50% of the performance rights would vest into Shares. So, of the 60,000 performance rights issued to the employee in 2012, only 30,000 would vest. The employee would only be able to convert those 30,000 performance rights into Shares. If the Company's TSR was below the 50% percentile for the two year period from 1 July 2012 to 30 June 2014, then no performance rights would vest into shares.

Regulatory information

The non-executive Directors are of the view that Mr Young and Mr Ball's respective remuneration packages, including the grant of the performance rights, are reasonable for the purposes of Chapter 2E of the Corporations Act, having regard to the circumstances of the Company and their circumstances (including the responsibilities involved in their respective offices). Accordingly, Shareholder approval under Chapter

2E of the Corporations Act is not required to be sought. Further details of Mr Young and Mr Ball's remuneration package are set out above and included in the Company's Remuneration Report.

Under ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. Approval for the grant of 61,856 performance rights to Mr Young in relation to the year ended 30 June 2011 and 86,508 in relation to the year ended 30 June 2012 was obtained at last year's Annual General Meeting and these were subsequently granted on 1 December 2011 and 3 September 2012 respectively. No other Directors have received performance rights since this date.

The following information is provided for the purposes of Listing Rule 10.15.

- (a) The maximum number of performance rights that can be granted under this approval is:
 - (i) Tranche 1 - 69,206 performance rights to Mr Ball for the financial year ended 30 June 2012; and
 - (ii) Tranche 2 - 150,000 performance rights to each of Mr Young and Mr Ball for the financial year ending 30 June 2013, the actual number to be determined in accordance with the Issue Formula.
- (b) The price payable on the issue or exercise of each performance right is nil.
- (c) The names of the persons referred to in Listing Rule 10.14 entitled to participate in the Plan are Mr Michael Young and Mr Morgan Ball.
- (d) There are no loans proposed in relation to the grant of the performance rights to Mr Young and Mr Ball.
- (e) The Tranche 1 performance rights that are granted to Mr Ball are intended to be granted on or about 20 November 2012 and in any event will not be granted later than 12 months after the date of approval by Shareholders at the Annual General Meeting.
- (f) The Tranche 2 performance rights that are granted to Mr Young and Mr Ball are intended to be granted on or about 1 July 2013 and in any event will not be granted later than 12 months after the date of approval by Shareholders at the Annual General Meeting.

As a result of recent amendments to the Corporations Act, the Chairman of the Meeting is entitled to vote undirected proxies on this resolution which is connected with the remuneration of the Company's Key Management Personnel. If you appoint the Chairman as your proxy and wish to support Resolutions 6 and 7, please mark an "X" in the box at the end of Step 1 of the Proxy Form.

Recommendation: The Directors (excluding Mr Young and Ball) recommend that Shareholders vote in favour of Resolutions 6 and 7.

GLOSSARY

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

Argonaut Junior Iron Ore Index	Atlas Iron Limited BC Iron Limited Centrex Metals Limited Flinders Mines Limited Gindalbie Metals Limited Grange Resources Limited Iron Ore Holdings Limited Ironclad Mining Limited Iron Road Limited Mount Gibson Iron Limited Pluton Resources Limited Red Hill Iron Limited Royal Resources Limited
ASX	the Australian Securities Exchange or ASX Limited ACN 008 624 691, as appropriate
Board	the board of Directors of the Company.
Company	BC Iron Limited ACN 120 646 924.
Corporations Act	Corporations Act 2001 (Cwlth).
Director	a director of the Company.
Share(s)	a fully paid ordinary share(s) in the capital of the Company.
Listing Rule	a Listing Rule of the ASX.
Shareholder	shareholder of the Company.
WST	Western Standard Time.

Appointment of Corporate Representative Section 250D of the Corporations Act 2001

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 Annual General Meeting of the members of BC Iron Limited to be held on Tuesday 20 November 2012 commencing at 11.00am (WST) and at any adjournment of that meeting / all meetings of the members of BC Iron Limited (please delete as appropriate).

DATED 2012

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.

Send the Certificate to Computershare Investor Services at GPO Box 242 Melbourne Victoria 3001 Australia or fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Lodge your vote:



By Mail:


Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



┌ 000001 000
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

 **For your vote to be effective it must be received by 11:00am (WST) Sunday 18 November 2012**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.bciron.com.au

www.investorcentre.com

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of BC Iron Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to 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, Western Australia on Tuesday, 20 November 2012 at 11:00am (WST) and at any adjournment of that meeting.

Important for Items 5 - 7 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking the box below, you are expressly authorising the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 5 - 7 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 5 - 7, the Chairman of the Meeting will not cast your votes on Items 5 - 7 and your votes will not be counted in computing the required majority if a poll is called on these Items.

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 5 - 7 by marking the appropriate box in step 2 below.

The Chairman of the Meeting intends to vote all available proxies in favour of each Item of business.

I/We expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 5 - 7 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 5 - 7 are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

STEP 2 Items of Business

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

ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Re-election of Mr Terrence Ransted as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Election of Mr Malcolm McComas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Mr Morgan Ball as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Mr Jamie Gibson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Grant of Performance Rights to Mr Michael Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Grant of Performance Rights to Mr Morgan Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

BCI

999999A

Computershare +