

**CHAIRMAN'S ADDRESS
TO ANNUAL GENERAL MEETING
TUESDAY 12 NOVEMBER 2013, 10:00AM PERTH TIME**

For BC Iron, the 2013 financial year has by any measure been a successful one from both an operational and financial point of view and in return to shareholders.

Against a backdrop of a difficult economic environment, BC Iron has, through strong leadership and a clear understanding of the need to focus on production and operating costs and being well supported by a competent administration team, performed very well across the business. The resulting benefits have flowed through to shareholders in dividends and a significantly increased market capitalisation to approximately \$630 million. All this in just over six years since listing, and now with BC Iron entering the S&P/ASX300 Index.

Revenue growth since inception has been continuous with last year's revenue from continuing operations being \$325 million compared to the previous year of \$204 million and the year before that of \$19 million. The underlying net profit after tax for last year of \$71.4 million was more than satisfactory and enabled the board to provide a strong dividend return to shareholders.

During the year BC Iron increased its interest in the Nullagine Joint Venture from 50% to 75% and was also able to negotiate increased rail and port capacity from the Fortescue Metals Group from 5mtpa to 6mtpa. This transaction has been excellent for the Company and underscores our excellent relationship with FMG.

It was very pleasing to see the operational team quickly and efficiently implement measures on site to benefit from this increased guaranteed rail and port facilities and reach nameplate capacity of 6mtpa which is now running at around 6.5mtpa.

BC Iron continues to enjoy a good working and community relationship with the indigenous peoples upon whose land we are mining. To be able to provide educational and work opportunities and to generally support these communities is important to BC Iron and gives the Company great pleasure in working with these communities.

Safety remains our priority at BC Iron and I would like to acknowledge the work in that area being undertaken by Blair Duncan, BC Iron's Chief Operating Officer, and John McCarthy, Resident Site Manager in particular and their respective teams.

I would like to acknowledge the contribution of our first Managing Director Mike Young, whose drive and enthusiasm has gone a long way to making BC Iron what it is today. Mike stepped down in May and was succeeded by the then Chief Financial Officer Morgan Ball, who has clearly placed his stamp on the company and moved somewhat effortlessly into the job.

I would like to thank all staff, contractors and fellow board members. In acknowledging the contributions of staff we remain cognisant of the fact that it requires both an operational and administrative effort to run a successful mining operation.

I would like to make a special mention of our JV partner in FMG. Access to its rail and port has been instrumental to the success of BC Iron as has its staffs' contributions at an operational and on site level and in general joint venture workings.

I will now move to the business of the meeting and at its conclusion, Morgan will make a general presentation, at which time shareholders will be more than welcome to ask questions on the Company or business generally.

Tony Kiernan
Chairman

12 November 2013