

The Manager
Company Announcements Office
Australian Securities Exchange

6 December 2013

Dear Sir,

BC Iron Limited (ASX: BCI) – amendments to Share Trading Policy

The Board of BC Iron Limited (“the Company”) has approved amendments to the Company’s Share Trading Policy which are effective from 6 December 2013.

Please find attached a copy of the amended Share Trading Policy lodged with the ASX in accordance with ASX Listing Rule 12.10. A copy of the policy is available in the corporate governance section of the Company’s website at www.bcion.com.au.

Yours faithfully



ANTHEA BIRD
COMPANY SECRETARY

POLICY FOR TRADING IN COMPANY SECURITIES

Introduction and purpose

This document sets out BC Iron Limited's (the "Company") policy regarding trading in the Company's securities which includes shares, options, performance rights, warrants, debentures and any other security on issue from time to time ("Company's securities").

If you do not understand any part of this policy or the summary of the law, or how it applies to you, you should raise the matter with your manager or the Company Secretary before trading with any securities covered by this policy.

This policy applies to all directors and employees (permanent and casual) of the Company and its subsidiaries, as well as their associates (including spouses, children, family trusts, family companies and self- managed superannuation funds).

Corporations Act requirements

Directors and employees who wish to deal in the Company's securities must first have regard to the statutory provisions of the *Corporations Act 2001* dealing with insider trading.

Insider trading is the practice of dealing in a company's securities by a person in possession of inside information not generally available to the public. Examples of insider trading would include if you:

- (a) apply for, buy or sell securities in the relevant company, or agree to do so;
- (b) procure someone else to apply for, buy or sell securities in the relevant company or enter into an agreement to do so; or
- (c) pass on that information to a third party where you know, or ought reasonably to know, that the third party would be likely to apply for, buy or sell the securities or procure someone else to apply for, buy or sell the securities of the company.

A person is in possession of "inside information" in relation to a company in circumstances where:

- (a) the person possesses information that is not generally available and, if the information were generally available a reasonable person would expect it to have a material effect on the price or value of the company's securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the company's securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of a company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in that company's securities in any way.

Insider trading may also include the passing on of the inside information to another or procuring another person to deal in the securities. Legally, insider trading is a serious offence which carries severe penalties including large fines and imprisonment.

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Insider trading prohibition

Regardless of anything else in this Policy, all directors and employees of the Company in possession of inside information **must not**:

- (a) deal in Company securities; nor
- (b) directly or indirectly communicate the information, or cause the information to be communicated to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the Company's securities in any way or procure a third person to deal in the Company's securities in any way.

Examples of inside information or unpublished price sensitive information about the Company include:

- a proposed major acquisition or disposal;
- drill or exploration results;
- a significant business development or a proposed change in the nature of the Company's business;
- details of material contracts that are being negotiated by the Company;
- financial performance of the Company against its budgets or forecasts;
- potential litigation that would have a substantial effect on the Company;
- a proposed issue of new shares;
- a proposed dividend; and
- a major change to the Board or senior management.

POLICY ON TRADING

Blackout periods

In addition to the prohibitions on insider trading set out in the Corporations Act and summarised above, the Company requires that directors and employees must not trade in the Company's securities during the following periods:

- the end of the half-year period and 24 hours immediately following the release of the Company's half-year financial results;
- the end of the full year period and 24 hours immediately following the release of the Company's annual financial results; and
- the end of each March and September financial quarters and 24 hours immediately following the release of the Company's quarterly results for those financial quarters,

("Blackout Periods"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met.

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The Board may impose additional Blackout Periods by written notice to all directors and employees, without explanation of the reason for imposing the Blackout Period.

For the sake of clarity, even if it is outside of a Blackout Period, directors and employees **must not** deal in the Company's securities if they are in possession of inside information.

Exceptional circumstances when trading may be permitted subject to prior written clearance

Directors and employees may deal in the Company's securities inside a Blackout Period, subject to obtaining prior written clearance in accordance with the procedure described below, in the following exceptional circumstances:

1. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and the person seeking clearance is in severe financial hardship;
2. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and there are other circumstances deemed to be exceptional by the person granting the prior written clearance; or
3. where dealing is required for compliance with a court order or court enforceable undertaking or for some other legal regulatory requirement.

If directors and employees wish to deal in the Company's securities during a Blackout Period in the exceptional circumstances referred to above, they must first obtain prior written clearance from the Chairman, or in his or her absence, two non-executive directors.

If the Chairman wishes to deal in the Company's securities during a Blackout Period in the exceptional circumstances referred to above, the Chairman must first obtain prior written clearance from the other non-executive directors.

Procedure for obtaining clearance prior to trading

During any other time, directors and employees **must not** deal in the Company's securities unless they obtain **prior written clearance** from:

1. in the case of employees, the Company Secretary or in his or her absence, the Managing Director;
2. in the case of a director, the Chairman or in his or her absence, the Managing Director;
3. in the case of the Managing Director, the Chairman or in his or her absence, two non-executive directors;
4. in the case of the Chairman, two non-executive directors,

(each, an "Approving Officer").

A request for prior written clearance under this policy should be made in writing using the Company form entitled 'Request to trade in company securities' and given to the Company Secretary who will forward it to the Approving Officer. The request may be submitted in person, by mail, by email or by facsimile.

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Any written clearance granted under this policy will be valid for the period of 5 business days from the time which it is given or such other period as may be determined by the Approving Officer.

Directors and employees must advise the Company Secretary of any completed trades within 3 business days of the trade having occurred.

Dealings which are not subject to this policy

The following dealings by directors and employees are excluded from this policy:

- transfers of the Company's securities already held by a director or employee into a superannuation fund or other saving scheme in which the director or employee is a beneficiary;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a director or employee is a trustee, trading in the Company's securities by that trust provided the director or employee is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or by the investment managers independently of the director or employee;
- undertakings to accept, or the acceptance of, a takeover offer (whether by way of takeover or scheme of arrangement);
- trading under an offer or invitation made to all or most of the security holders of the Company, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- a disposal of the Company's securities that is the result of a secured lender exercising their rights, for example, under margin lending arrangements;
- the exercise (but not the sale of the Company's securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a performance right or other convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Blackout Period and the Company has been in an exceptionally long Blackout Period or the Company has had a number of consecutive Blackout Periods and the director or employee could not reasonably have been expected to exercise the option or right at a time when free to do so; and
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
(a) the director, officer or employee did not enter into the plan or amend the plan during a Blackout Period; and
(b) the dealing plan does not permit the director, officer or employee to exercise any influence or discretion over how, when or whether to deal.

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For the sake of clarity, even if the dealing is excluded from this Policy, directors and employees **must not trade** in the Company's securities if they are in possession of inside information.

Dealing in derivative products

The prohibitions on dealing in the Company's securities set out in this Policy extend to dealing in financial products issued or created over or in respect of the Company's securities.

Long term trading

The Company encourages directors and employees to adopt a long-term attitude to their investment in the Company's securities. Consequently, directors and employees may not engage in short-term or speculative trading of the Company's securities.

Prohibited transactions

Directors and employees must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining the written clearance from the appropriate Approving Officer.

Directors and employees must not enter into agreements that provide lenders with rights over their interests in securities in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer.

Directors and employees must not put in place a non-discretionary trading plan in respect of their securities in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer. Director and employees must not cancel any such trading plan during a Blackout Period, unless the circumstances are exceptional and the procedure for prior written clearance has been met.

Directors and employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Disclosure to ASX

The ASX Listing Rules require this policy to be disclosed to ASX. Where the Company makes a material change to this Policy, the amended Policy must be provided to ASX within 5 business days of the material changes taking effect.

In addition, under the ASX Listing Rules, the Company must tell ASX (in its Appendix 3Y filing) if a change to a notifiable interest of a Company's director occurs no more than 5 business days after the change occurs, including whether the change occurred during a Blackout Period where prior written clearance was required, and if so, whether prior written clearance was provided. It is the responsibility of each director to ensure that he/she informs the Company Secretary of such transactions as soon as possible after the event in order to allow the Company to comply with its ASX disclosure obligations.

Document Number	Name	Owner	Revision Date
BCI-PP-005	Policy for Trading in Company Securities	Company Secretary	6-Dec-13