

30 September 2014

## **BC Iron Acquisition of IOH – Transaction Update**

Iron Ore Holdings Ltd (IOH) is pleased to provide a general update on the status of the off-market takeover bid (Offer) made by BC Iron Limited (BC Iron) for all of the issued shares in IOH, which was announced on 11 August 2014.

BC Iron has informed IOH that it has a relevant interest in 81.28% of all IOH shares as at Monday 29 September 2014.

IOH also advises that its third largest shareholder, Sumisho Iron Pty Ltd (Sumisho) has now confirmed that it intends to accept the Offer in the week commencing Monday 6 October 2014, in the absence of a superior proposal. Together with acceptances already received, Sumisho's acceptance of its current shareholding will increase BC Iron's relevant interest to approximately 85.30%, within sight of the minimum 90% acceptance condition.

IOH also wishes to remind all shareholders that this transaction is a takeover bid, not a scheme of arrangement. On 22 September 2014, BC Iron declared this Offer final and advised it will not increase the Offer. As such, every acceptance assists in achieving the minimum 90% acceptance condition and we urge all shareholders to initiate acceptance of the Offer.

**IOH shareholders who have not yet accepted the Offer and intend to do so, are urged to accept the Offer as soon as possible. Also, shareholders should ensure that their Offer acceptance form is lodged and processed before Monday 6 October 2014, which is potentially the last date by which BC Iron can provide notice of further extension of the term of the Offer (while it remains conditional). Shareholders with shares registered in a CHESS Holding are encouraged to instruct the Controlling Participant (normally your broker) to immediately accept the Offer.**

The IOH Board believes the logic of the Offer was compelling at time of its announcement on 11 August 2014 and remains compelling today. The current market conditions demonstrate one of the key benefits of completing the transaction, being to create a combined entity with strengthened technical and financial scale, which is better able to operate in these challenging market conditions than either BC Iron or IOH standing alone.

**The IOH Board reaffirms its unanimous recommendation, in the absence of a superior proposal, that IOH shareholders accept the Offer.**

\*\*\* Ends\*\*\*