

Wednesday, 19 October 2016

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

Dear Shareholder

### Notice to Overseas Shareholders of Entitlement Offer

We write to you as a holder of BC Iron Limited (ACN 120 646 927) (**Company**) fully paid ordinary shares (**Shares**) with a registered address outside of Australia and New Zealand (**Excluded Foreign Holders**).

On 13 October 2016, the Company announced it would be conducting a renounceable entitlement offer, offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the Company (**Shares**) through a pro rata renounceable entitlement issue of one (1) Share for every Share held by eligible shareholders on the record date, which under the indicative timetable is 21 October 2016 (**Record Date**), at an issue price of \$0.13 per share to raise up to approximately \$25.5 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is partially underwritten to \$20.64 million by Patersons Securities Limited (ACN 008 896 311) (**Patersons**) and Foster Stockbroking Pty Ltd (ACN 088 747 148) (**Foster**) as to \$10.32 million each.

The Entitlement Offer will be made to all registered shareholders on the Record Date and who reside in Australia or New Zealand.

The Entitlement Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (ASIC) on 17 October 2016 (**Prospectus**). The Prospectus will be made available on the Company's website: <http://www.bcion.com.au/> or on the ASX website (company announcements section, ASX code: BCI): [www.asx.com.au](http://www.asx.com.au).

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it is unreasonable to extend the Entitlement Offer to those shareholders that are Excluded Foreign Holders. The Company has taken into consideration the size of the shareholdings held by the Excluded Foreign Holders and the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to Excluded Foreign Holders. Accordingly, the Company is unable to extend to you the opportunity to participate in the Entitlement Offer.

The Company has appointed (and ASIC has approved) Patersons Securities Limited (**Nominee**) as nominee for foreign holders of the Company's securities in those countries outside of Australia and New Zealand to arrange the sale of the entitlements which would have been offered to the Excluded Foreign Holders.

The Nominee will arrange for the sale of the entitlements of the Excluded Foreign Holders. The Nominee will account to the Company's share registry who will then dispatch the net proceeds (if any) (that is, sale proceeds after deducting fees and GST) pro rata to each individual Excluded Foreign Holder). The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner of any such sale.

Thank you for your ongoing support of the Company, if you have any questions in relation to the above, please do not hesitate to contact the Company Secretary on +61 8 6311 3400.

Yours faithfully

A handwritten signature in black ink, appearing to read 'HMcN', with a long horizontal flourish extending to the right.

Hayley McNamara  
**Company Secretary**