

\Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

BC Iron Limited (BC Iron)

ABN

21 120 646 924

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares ( <b>Shares</b> )   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Up to 196,263,455 Shares   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The terms of the Shares issued to shareholders under the renounceable entitlement offer (the <b>Offer</b> ) are set out in the Company's Constitution. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	<p>Yes – upon issue, the Shares will rank equally with existing fully paid ordinary shares in the capital of the Company.</p>
<p>5 Issue price or consideration</p>	<p>\$0.13</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Shares will be issued under the Offer being conducted by the Company. The funds raised from the Offer will be used to support the Company’s strategy, including to:</p> <ul style="list-style-type: none"><li>• pursue strategies to develop a more robust development case for the overall Buckland mining and infrastructure project and position Cape Preston East as an attractive new port for the West Pilbara region;</li><li>• position the Company to selectively evaluate and potentially transact on new opportunities (iron ore and non-iron ore) with a strong value proposition and near term earnings potential; and</li><li>• strengthen the Company’s balance sheet by retiring the remaining debt obligations when due and create a buffer against adverse market conditions.</li></ul>

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+ See chapter 19 for defined terms.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

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**Appendix 3B**  
**New issue announcement**

<p>7 +Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>18 November 2016</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 465 997 504">Number</th> <th data-bbox="997 465 1295 504">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 504 997 974">392,526,910</td> <td data-bbox="997 504 1295 974">Fully paid ordinary shares (ASX: BCI)</td> </tr> </tbody> </table>	Number	+Class	392,526,910	Fully paid ordinary shares (ASX: BCI)		
Number	+Class						
392,526,910	Fully paid ordinary shares (ASX: BCI)						
<p>9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 974 997 1019">Number</th> <th data-bbox="997 974 1295 1019">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1019 997 1153">1,196,747</td> <td data-bbox="997 1019 1295 1153">Performance Rights expiring 8 September 2022</td> </tr> <tr> <td data-bbox="686 1153 997 1265">6,000,000</td> <td data-bbox="997 1153 1295 1265">Performance Rights expiring 24 May 2023</td> </tr> </tbody> </table>	Number	+Class	1,196,747	Performance Rights expiring 8 September 2022	6,000,000	Performance Rights expiring 24 May 2023
Number	+Class						
1,196,747	Performance Rights expiring 8 September 2022						
6,000,000	Performance Rights expiring 24 May 2023						
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>Shares issued under the Offer will have the same dividend rights as Shares currently on issue.</p>						

**Part 2 - Pro rata issue**

<p>11 Is security holder approval required?</p>	<p>No</p>
<p>12 Is the issue renounceable or non-renounceable?</p>	<p>Renounceable</p>
<p>13 Ratio in which the +securities will be offered</p>	<p>1 new Share for every Share held on the Record Date</p>
<p>14 +Class of +securities to which the offer relates</p>	<p>Shares</p>

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	21 October 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	The Company only has one share register
17	Policy for deciding entitlements in relation to fractions	As the Offer is 1 for 1, there will be no fractions
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	To all jurisdictions other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	11 November 2016
20	Names of any underwriters	Patersons Securities Limited (PSL) and Foster Stockbroking Pty Ltd (Foster) to the amount of \$10.32 million each.
21	Amount of any underwriting fee or commission	Each of PSL and Foster will be paid an underwriting fee of 4% (excluding GST) of the value of their respective underwriting amounts plus a lead manager fee of 1% of the total funds raised under the Offer (to be split equally between PSL and Fosters).
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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## Appendix 3B New issue announcement

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	26 October 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	20 October 2016
29	Date rights trading will end (if applicable)	4 November 2016
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Shareholders may sell their entitlements in full by liaising with their stockbroker.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Shareholders may sell their entitlements in part by completing the Offer Entitlement and Acceptance Form in accordance with the instructions on Offer Form and liaising with their stockbroker.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Shareholders may dispose of their entitlements by completing a standard renunciation form and liaising with their stockbroker.
33	<sup>+</sup> Issue date	18 November 2016

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

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+ See chapter 19 for defined terms.



	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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Sign here:  Date: 13 October 2016  
(Company Secretary)

Print name: Hayley McNamara

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.

Appendix 3B  
New issue announcement

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“C”	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.15] – “C”	  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.