

19 September 2014

BCI 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.

As at the commencement of trading on Friday 19 September 2014, BC Iron had a relevant interest in 71.97% of all IOH shares. Further to IOH's largest shareholder (Australian Capital Equities – "**ACE**") accepting the Offer last week, IOH can confirm that its second largest shareholder, Third Wave Investors Ltd, has also accepted the Offer.

Alwyn Vorster, Managing Director of IOH, commented: "*There has been positive feedback from the large majority of IOH's shareholders to the Offer, and IOH will commence an active campaign recommending that remaining shareholders accept the Offer.*"

Ryan Stokes, CEO of ACE and Non Executive Director of IOH, said: "*ACE is pleased with the progress of the Offer, and is looking forward to participating as a BC Iron shareholder in the development and operations of the Nullagine, Iron Valley and Buckland projects.*"

IOH's project partner at the Iron Valley Project, Mineral Resources Limited (**MIN**) has advised that they continue to make all reasonable efforts to facilitate profitable trucking and shipping of Iron Valley products, including the mined and processed product already stockpiled at Iron Valley (see Figure 1), early in the fourth quarter of 2014, subject to effects of further movements in commodity prices and exchange rates. This relatively small delay to the previously advised target shipping date of September 2014 is due to economic factors, which affect all participants in the iron ore industry.

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

*** Ends***

Figure 1: Mined and processed ore stockpiles at Iron Valley

