



ABN 17 107 492 517

The Manager
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

23 September 2014

Dear Sir/Madam

Letter to IOH Shareholders

Please find attached a copy of a letter from the IOH Chairman to IOH shareholders relating to BC Iron's offer to acquire all of the ordinary shares in IOH.

Yours faithfully

A handwritten signature in black ink that reads "S. Robertson". The signature is written in a cursive style.

Simon Robertson
Company Secretary

Level 1, 1 Altona Street, West Perth, WA 6005
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www.ironoreholdings.com



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23 September 2014

Dear IOH Shareholder

I am writing to you in relation to the off market takeover offer (**Offer**) from BC Iron Limited (**BC Iron**) for all of the issued shares in Iron Ore Holdings Ltd (**IOH**).

On 23 September 2014, BC Iron announced a relevant interest in 74.95% of all shares in IOH. On 22 September 2014, BC Iron announced that the closing date for the Offer had been extended by 14 days, to 14 October 2014, and that its offer price of 0.44 BC Iron shares and \$0.10 in cash for every share you hold in IOH is the final price for the Offer.

The Offer is therefore now well advanced. However, it remains subject to, amongst other things, the satisfaction of the bid conditions, including importantly the minimum acceptance condition that BC Iron obtains a relevant interest in at least 90% of all IOH shares. The Offer consideration (including the cash component) cannot be provided to accepting IOH shareholders until all of the conditions of the Offer, including the minimum acceptance condition, have been satisfied or waived.

In its Bidder's Statement, BC Iron stated that if IOH is a part owned controlled entity of BC Iron on completion of the bid, "the liquidity of IOH Shares on ASX may be materially adversely affected." This means that in those circumstances, if you did not accept the Offer, it may be more difficult for you to sell your IOH shares following completion of the bid.

IOH shareholders who have not yet accepted the Offer and intend to do so, are urged to accept the Offer as soon as possible, and to ensure that their Offer acceptance form is lodged and processed before 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).

If you require an Offer acceptance form please call the BC Iron information line on 1800 237 687 (from within Australia) or +61 1800 237 687 (from overseas).

The IOH Board recommendation is unchanged from the announcement of 11 August 2014, the Target's Statement of 28 August and the announcements of 12 and 19 September 2014. **The IOH Board unanimously recommends, in the absence of a superior proposal, that IOH shareholders accept the Offer.**

Yours faithfully

A handwritten signature in blue ink, appearing to read "Richard Court", is written over a white background.

Hon. Richard Court AC
Chairman

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