



ACN 107 492 517

Quarterly Activities Report

For the period ending 30 June 2014

HIGHLIGHTS DURING THE QUARTER

Iron Valley Project

- Mineral Resources Limited (MIN) continued development of the Iron Valley Mine.
- MIN is targeting first production during Q1 FY2015.

Buckland Project

- Feasibility Study delivers positive results:
 - Ore Reserve estimate increased by 5% to 134Mt @ 57.6% Fe¹.
 - 8Mtpa production of 58% Fe fines product for more than 15 years.
 - Capital cost of \$744 million to reach 8 Mtpa production.
 - C1 Cash Operating Cost of ~\$48.40/tonne (life of mine average).
 - Net Present Value (NPV₁₀ Real) of ~\$990 million pre-tax on an ungeared basis.
- Cape Preston East Port lease secured.
- Miscellaneous licences secured for 100% of planned private road, from mine to port.

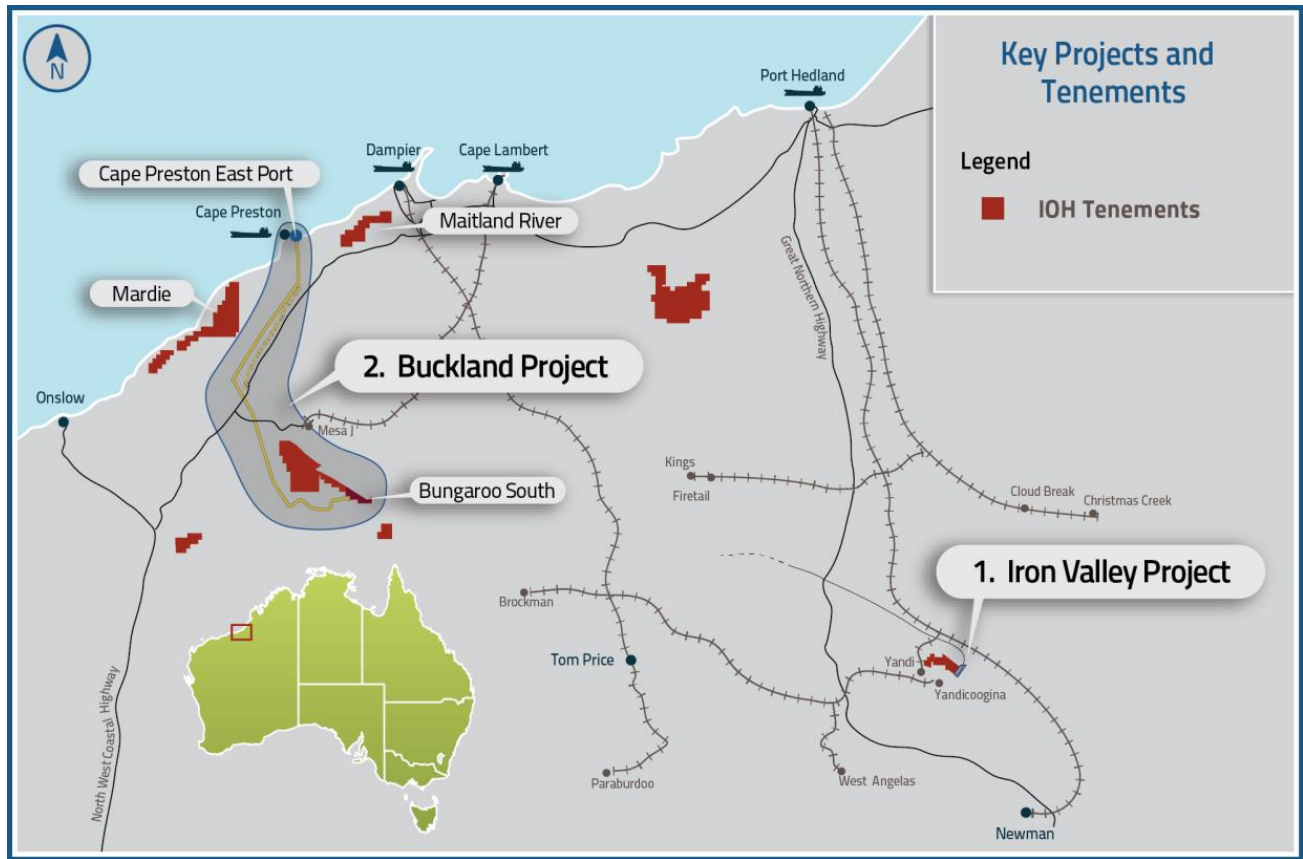
Cash

- \$50.9 million cash in bank at 30 June 2014.

1. COMPANY OVERVIEW

Iron Ore Holdings Ltd (IOH) owns and manages a portfolio of iron ore projects in the Pilbara region of Western Australia. The two key projects are Iron Valley, which is located in the Central Pilbara, and Buckland, which is located in the Western Pilbara (see Figure 1).

Figure 1: IOH Key Project and Tenement Locations



2. IRON VALLEY PROJECT

2.1. Background

Iron Valley is located in close proximity to large operating mines owned by BHPB and Rio Tinto (see Figure 2). With a Probable Ore Reserve of 134.7 million tonnes (Mt) at an average of 58.5% Fe (based on a cut-off grade of 53%) for the initial mining development, the Iron Valley Project is the most advanced of IOH's major projects.

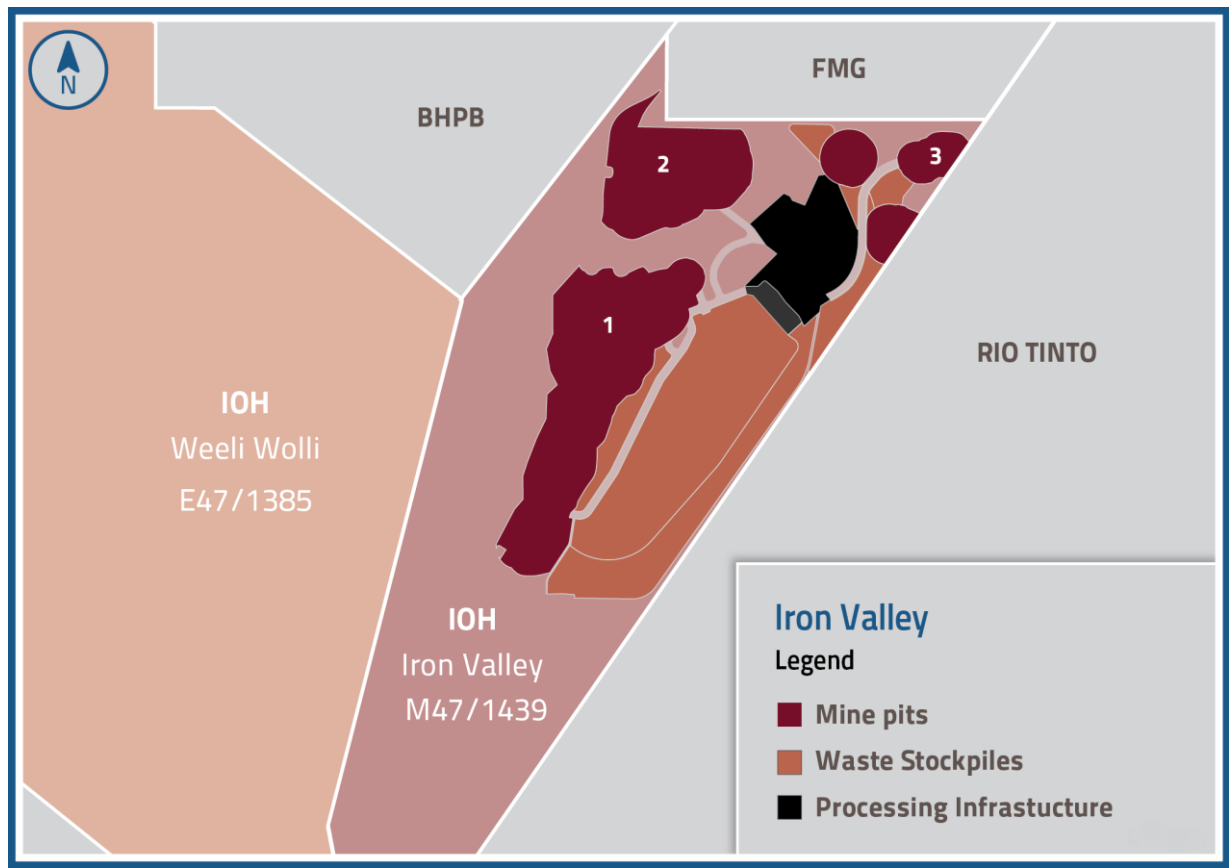
In February 2013 IOH executed a binding formal agreement for a mine gate sale arrangement with Mineral Resources Limited (ASX:MIN).

2.2. Project Development Continues

MIN, which commenced the construction of the infrastructure necessary for the operation of the mine at Iron Valley in March 2014, has continued to prepare the site and construct the required processing facilities to enable production to commence during Q3 of CY2014.

IOH expects to receive its first cash inflows from the project in the second half of CY2014, which will be a significant milestone in IOH's development and growth path.

Figure 2: Iron Valley Proposed Development Layout



3. BUCKLAND PROJECT

3.1. Background

The Buckland Project (see Figure 3) comprises a new mine, road and port development. The mine is to be developed at the Bungaroo South iron ore deposits, where an Ore Reserve¹ of 134 Mt in the Proven and Probable JORC categories (see Table 1), will underpin 8 million tonnes per annum (Mtpa) production for more than 15 years. The 196 kilometres (km) of new, sealed haul road is to be constructed from the mine to a new IOH managed transshipping port with a 20 Mtpa capacity at Cape Preston East (CPE) on the north-western Pilbara coast.

3.2. Tenure for Haul Road

IOH has the Miscellaneous Licences required for the construction of the entire 196 km of private sealed haul road for the Buckland Project (see Figure 3).

The dedicated, sealed road will provide IOH with a private transport route that can be used by larger haulage trucks, delivering a lower unit cost in Stage 2 (from production year three onwards) and providing for growth tonnages in the future.

3.3. Feasibility Study

On 4 June 2014 IOH announced that the Feasibility Study (FS), covering all technical and engineering aspects of the project to industry standards, had been successfully completed within 18 months and at a cost of ~\$30 million. The FS was developed and finalised by management with the support of external technical and commercial experts including SKM, Snowden, ANZ and Gilbert & Tobin.

¹ – Refer ASX announcement dated 4 June 2014

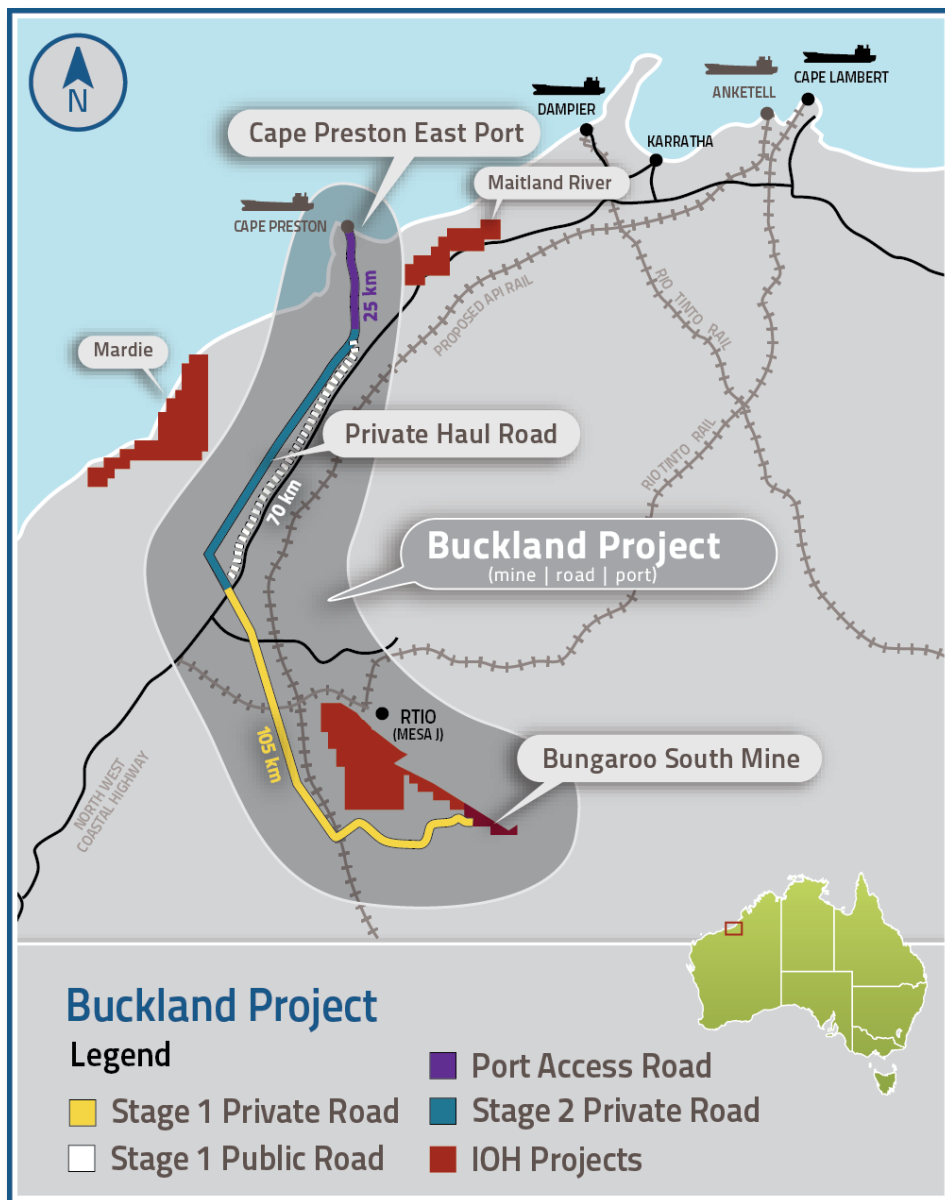
Based on the FS assumptions and results, the Buckland Project business case is technically viable and commercially attractive (see ASX Announcement 4 June 2014 “Buckland Project - Positive Feasibility Study Results”).

The FS report estimates that the Buckland Project would have a Net Present Value (NPV₁₀ Real) of ~\$990 million pre-tax on an ungeared basis, a pre-tax internal rate of return (IRR) of 24% and an average annual EBITDA of ~\$260 million. It is also estimated that more than \$1 billion will be paid in WA State Royalties during the life of the Project.

There is also significant potential for further financial upside through a range of initiatives, including value engineering studies to optimise capital and operating cost estimates, the development of Buckland satellite deposits, tolling of third parties’ product on IOH haul roads and port facilities, as well as IOH purchasing ore on a “mine gate” or “port gate” basis.

Subject to funding being secured, a potential construction start in the fourth quarter of calendar year 2014 (Q4 CY2014) could be achieved, leading to a potential production start by Q3 CY2016.

Figure 3: Buckland Project

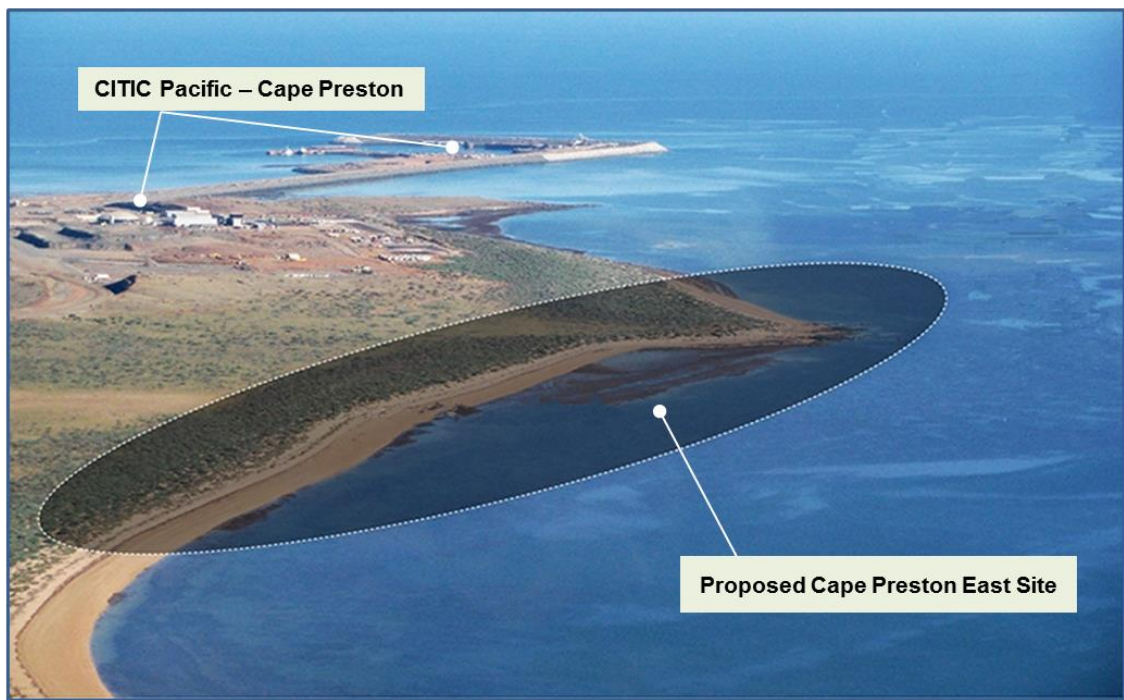


3.4. Port Lease Agreements

On 26 June 2014 IOH and the Dampier Port Authority (now the Pilbara Ports Authority) signed a number of port lease agreements for the Cape Preston East (CPE) transshipment facility.

The IOH port facility at CPE will underpin an independent export supply chain solution for the planned Buckland Project (see Figures 4 and 5).

Figure 4: Cape Preston East



The Operating Lease provides IOH with exclusive management rights over its leased area at CPE for an initial term of 20 years. IOH will have, subject to conditions, the right to extend the term and to expand its leased area.

Figure 5: Cape Preston East – Feasibility Study Base Case Port Layout >8Mtpa (June 2014)





3.5. Satellite Deposits

Following completion of drilling programs at the Dragon, Rabbit and Rooster satellite deposits, assaying and geological modelling has now been completed.

Subject to a current pre-feasibility level review, the Satellite deposits could form part of the Buckland Project Stage 2 development, increasing overall tonnage feed into the Buckland Project infrastructure system.

3.6. Marketing Support

Discussions with steel producers in Asia continued during the quarter with the aim of securing market tested endorsement for the Bungaroo South ore.

To date IOH has secured 13 non-binding Letters of Intent from reputable Chinese steel producers, which covers in excess of all the planned production in the first five years (30Mt).

3.7. Commercial Structuring

IOH has continued to identify and critically assess optimum commercial structures and conduct negotiations with prospective investors in the Buckland Project.

4. CORPORATE

4.1. Cash

IOH had a cash balance of \$50.9 million at 30 June 2014.

5. MINERAL RESOURCES AND ORE RESERVES

An update to the Ore Reserve estimate, prepared by Snowden Mining Industry Consultants (Snowden), for the Buckland Project was announced during the quarter (see ASX Announcement “Buckland Project – Updated Ore Reserve” of 4 June 2014 however the IOH Total Mineral Resource is unchanged from the ASX Announcement “Buckland Project – Mineral Resource Update” of 28 January 2014).

The total Proved and Probable Ore Reserve estimate (at a 54% Fe cut-off grade) within the Buckland Project is now 134 Million tonnes @ 57.6% Fe.

Table 1: IOH Buckland Project Ore Reserve at 30 June 2014

Project	Deposit	JORC Ore Reserve	Cut-off (% Fe)	Tonnes (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	
Buckland	Bungaroo South	Proved	54	23.2	58.3	62.9	5.8	2.9	0.15	7.4	
		Probable		106.7	57.5	62.6	6.6	2.3	0.15	8.1	
	Dragon	Proved		-	-	-	-	-	-	-	-
		Probable		4.4	57.1	62.3	6.5	2.8	0.14	8.4	
	Sub Total	Proved		23.2	58.3	62.9	5.8	2.9	0.15	7.4	
		Probable		111.1	57.5	62.6	6.6	2.3	0.15	8.1	
Total				134.3	57.6	62.6	6.5	2.4	0.15	8.0	

Tonnages are dry metric tonnes and have been rounded, hence small differences may be present in the totals.

Table 2: IOH Total Ore Reserves at 30 June 2014

Project	Deposit	JORC Ore Reserve	Tonnes ^B (Mt)	Cut-off (% Fe)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	
Iron Valley	Iron Valley ^A	Proved	-	-	-	-	-	-	-	-	
		Probable	134.7	53	58.5	63.0	4.9	3.2	0.17	7.2	
Buckland	Bungaroo South	Proved	23.2	54	58.3	62.9	5.8	2.9	0.15	7.4	
		Probable	106.7		57.5	62.6	6.6	2.3	0.15	8.1	
	Dragon	Proved	-		-	-	-	-	-	-	-
		Probable	4.4		57.1	62.3	6.5	2.8	0.14	8.4	
Total			269.0		58.1	62.8	5.7	2.8	0.16	7.6	

^A Reported in 2012 in accordance with JORC Code 2004 edition.

^B Tonnages are dry metric tonnes and have been rounded, hence small differences may be present in the totals.



6. EXPLORATION LICENCE AND MINING LEASE HOLDINGS

IOH and its subsidiaries currently hold 26 live exploration licences and mining leases in Western Australia (refer Table 3).

Table 3: Exploration Licence and Mining Lease Holdings at 30 June 2014

Number	Exploration Licence / Mining Lease	Location – Department of Mines and Petroleum Mineral Field
Exploration licence and mining leases held throughout the quarter		
1	E47/1385-I	47 - West Pilbara
2	E47/2001-I	47 - West Pilbara
3	E47/2004-I	47 - West Pilbara
4	E47/1239-I	47 - West Pilbara
5	M47/1439-I	47 - West Pilbara
6	E08/1554-I	08 - Ashburton
7	E47/1538-I	47 - West Pilbara
8	E08/1899-I	08 – Ashburton
9	E08/1900-I	08 – Ashburton
10	E08/1901-I	08 – Ashburton
11	E47/2350-I	47 - West Pilbara
12	M47/1464-I	47 - West Pilbara
13	E47/1537-I	47 - West Pilbara
14	E47/2372-I	47 - West Pilbara
15	E47/2676-I	47 - West Pilbara
16	E47/2677-I	47 - West Pilbara
17	E08/1849-I	08 - Ashburton
18	E08/2399-I	08 - Ashburton
19	E52/2847-I	52 - Peak Hill
20	E52/2834-I	52 - Peak Hill
21	E52/2842-I	52 - Peak Hill
22	E47/2505-I	47 - West Pilbara
23	E80/3878-I	80 - Kimberley
24	E52/3002	52 - Peak Hill
25	E52/3003	52 - Peak Hill
Exploration licence and mining leases acquired during the quarter		
26	E08/2415	08 - Ashburton
Exploration licence and mining leases relinquished during the quarter		
1	E08/2178	08 - Ashburton



Competent Persons Statements:

The information in this report that relates to Mineral Resources and Ore Reserves at the Buckland Project is extracted from the ASX Announcements titled "Buckland Project – Mineral Resources Update" (dated 28 January 2014) and "Buckland Project – Updated Ore Reserve" (dated 4 June 2014). These announcements are available to view at www.ironoreholdings.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

In respect of the Iron Valley and Maitland deposits the information in this report that relates to Mineral Resources estimates has been compiled by Mr Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Widenbar is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimates based on data and geological information supplied by IOH. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears. It has been not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Ore Reserve estimations for the Iron Valley Deposit is based on information compiled by Mr Alan G. Cooper, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cooper is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Cooper has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It has been not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Disclaimer:

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IOH's planned exploration program, commencement of exporting of iron ore, industry outlook and other statements that are not historical facts. When used in this document, the words such as "could," "target," "plan," "estimate," "intend," "may," "potential," "should," and similar expressions reflected in these forward-looking statements are reasonable, such as statements involving risks and uncertainties and no assurance can be given that actual results be consistent with these forward-looking statements.

Corporate Profile (as at 25 July 2014)

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of bedded hematite, channel iron and magnetite iron ore tenements and projects within its Central, Western and Coastal hubs in the Pilbara region of Western Australia. The Company's projects are all strategically located within close proximity to existing and planned infrastructure. IOH has a stable share register, as well as an experienced Board and senior management team.

Ordinary Shares on Issue: 161,174,005

Board of Directors:

Hon. Richard Court AC	Non-Executive Chairman
Alwyn Vorster	Managing Director
Ryan Stokes	Non-Executive Director
Mal Randall	Non-Executive Director
Brian O'Donnell	Non-Executive Director

Company Secretary:

Simon Robertson

Executive Team:

Alwyn Vorster	Managing Director
Christian Johnstone	Chief Financial Officer
Brett Hazelden	GM Project Development
Zen Davison	GM Commercial
Roland Bartsch	GM Geology
Michael Klvac	GM Corporate Affairs

Share Registry:

Security Transfer Registrars Pty Ltd
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Applecross WA 6153
www.securitytransfer.com.au

Registered Office:

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West Perth WA 6005

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E: info@ironoreholdings.com
W: www.ironoreholdings.com

Major Shareholders:

Wroxby Pty Ltd	52.7 %
3 rd Wave Investors	5.4 %
Sumisho Iron	4.3 %