

12 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.

An important milestone in the transaction has been reached, with IOH's major shareholder, Australian Capital Equity Pty Limited through its subsidiary Wroxby Pty Ltd, accepting the Offer on 10 September 2014. As at the commencement of trading today, BC Iron had a relevant interest in 59.50% of all IOH shares.

Another positive development for the Offer was the granting of consent by the Pilbara Ports Authority for the change in control of IOH and its wholly owned subsidiary, Cape Preston Logistics Pty Ltd (as announced by BC Iron on 8 September 2014). That consent was a condition to BC Iron's Offer, and BC Iron has declared it has been fulfilled.

IOH's Target Statement included a statement that Mineral Resources Limited (MIN) plans to commence production from IOH's Iron Valley project in Q1 FY2015. Mining and stockpiling of ore at the mine site has commenced and MIN continues to target shipments in September 2014. The actual timing and quantity of shipments will however be influenced by ongoing developments in commodity prices, exchange rates and operating costs, as set out in the Target's Statement. IOH will continue to monitor the Iron Valley project and will further inform the market as and when new information comes to hand.

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.

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