

Quarterly Activities Report

For the period ending 31 December 2010

ASX : IOH



HIGHLIGHTS

Overview

- Continued exploration success resulting in the Company's total JORC Resource reaching **647 Million Tonnes** (table 1).

Central Pilbara Hub

- Kurrajura—Global JORC Resource of **53.7Mt at 58.1% Fe**.
- 90 holes drilled for 4,707 metres.
- Metallurgical test work on Iron Valley samples is underway.

Western Pilbara Hub

- Snake Valley and Mesa J South West assay results received.
- 25 holes drilled for 2,429.9 metres.
- Maitland River—two scout holes completed. MR 002 magnetite mineralised intercept of **252 metres at 30.7% Fe** from 96 metres (hole drilled at 50 degrees).

Corporate

- Appointment of new CEO Alwyn Vorster.

Issued Shares: 137,563,244

Listed Options: 2,644,727

ASX Code: IOH

Cash position: \$8.2m
at 31 December 2010

For further information regarding
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1 Activities Review

With the announcement of the maiden resource at Kurrajura in November 2010, Iron Ore Holdings Limited (“IOH” or “The Company”) increased its total JORC mineral resource to 647Mt as illustrated in the table below;

Table 1- IOH Total JORC Resource

| Project | JORC Indicated | JORC Inferred | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | LOI% | Cut-off Fe |
|--------------------|----------------|----------------|--|--------------------|----------------------------------|------|------|----------------|
| Iron Valley | 183.0Mt | | 58.9 | 4.6 | 3.0 | 0.18 | 7.2 | 50% |
| | | 56.7Mt | 58.3 | 5.4 | 3.6 | 0.16 | 6.5 | |
| Phil’s Creek | 15.1Mt | | 55.6 | 7.2 | 4.2 | 0.10 | 8.1 | 50% |
| North Marillana | 46.8Mt | | 50.0 | 9.5 | 7.7 | 0.05 | 10.4 | 45% |
| Lamb Creek | | 26.7Mt | 58.4 | 6.4 | 2.9 | 0.11 | 6.5 | 50% |
| Koodaideri South * | | 77.1 | 58.5 | 5.1 | 2.8 | 0.13 | 7.6 | 50% |
| Buckland Hills | | 241.6Mt | 57.2 | 7.0 | 2.4 | 0.15 | 8.1 | 50% |
| | 244.9Mt | 402.1Mt | Total Resource (Indicated and Inferred) = | | | | | 647.0Mt |

*Includes Kurrajura resource 53.7Mt @ 58.1%Fe

The total **JORC Mineral Resource** over all IOH projects has now reached **647.0Mt**(refer Table 1).

The Company now has a Central Pilbara hub that contains 400Mt within 50km radius of existing rail infrastructure and is developing a Western Pilbara hub which now exceeds 240Mt close to existing infrastructure.

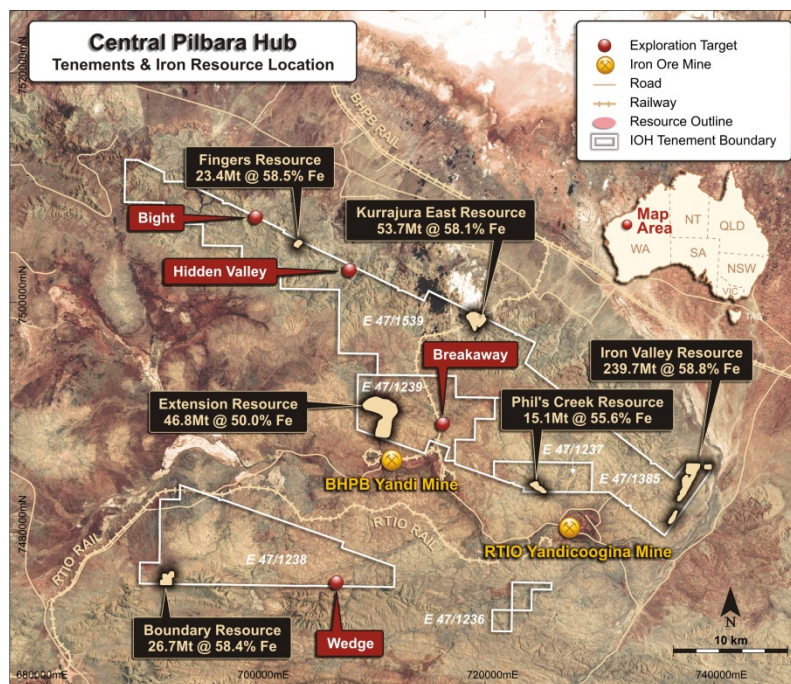


Figure 1 – Central Pilbara Location of Iron Ore Resources

2 Exploration Overview

During the quarter IOH conducted drilling activities in the:

- Central Pilbara Hub - 4,704 metres;
- Western Pilbara Hub - 2,432metres;
- Maitland River – 576 metres.

Table 2- IOH Drilling for Quarter

| Area | Project | Type | Holes | Metres |
|---------------------|----------------|------|------------|--------------|
| Central Pilbara Hub | Kurrajurra | RC | 10 | 522 |
| | Bight | RC | 12 | 498 |
| | Boundary | RC | 68 | 3,684 |
| | Total | | 90 | 4,704 |
| Western Pilbara Hub | Buckland Hills | DD | 20 | 1,932 |
| | Buckland Hills | RC | 9 | 330 |
| | Snake Valley | DD | 5 | 170 |
| | Total | | 34 | 2,432 |
| Maitland River | Maitland River | RC | 2 | 576 |
| | | | | |
| Total | | | 126 | 7,712 |

2.1 Central Pilbara Hub

IOH concluded a land access agreement with the Nyiyaparli people for the Iron Valley Mining Lease at a signing ceremony during the quarter. The Mining Lease is now ready for grant and is awaiting final sign off from the Minister for Mines and Petroleum.

Metallurgical drilling of 5 holes for 573.8m generated PQ size core were conducted in the previous quarter. The metallurgical test work is now underway and the results are expected within the first quarter of 2011.



Figure 2: PQ Diamond Core sample collected from drill hole IV378

Kurrajura drilling (522 metres this quarter) was completed and the maiden resource was released on the 30th November 2010, increasing the IOH resource inventory by **53.7 Million tonnes at 58.15% Fe**. Further drilling to extend the resource is planned for 2011.

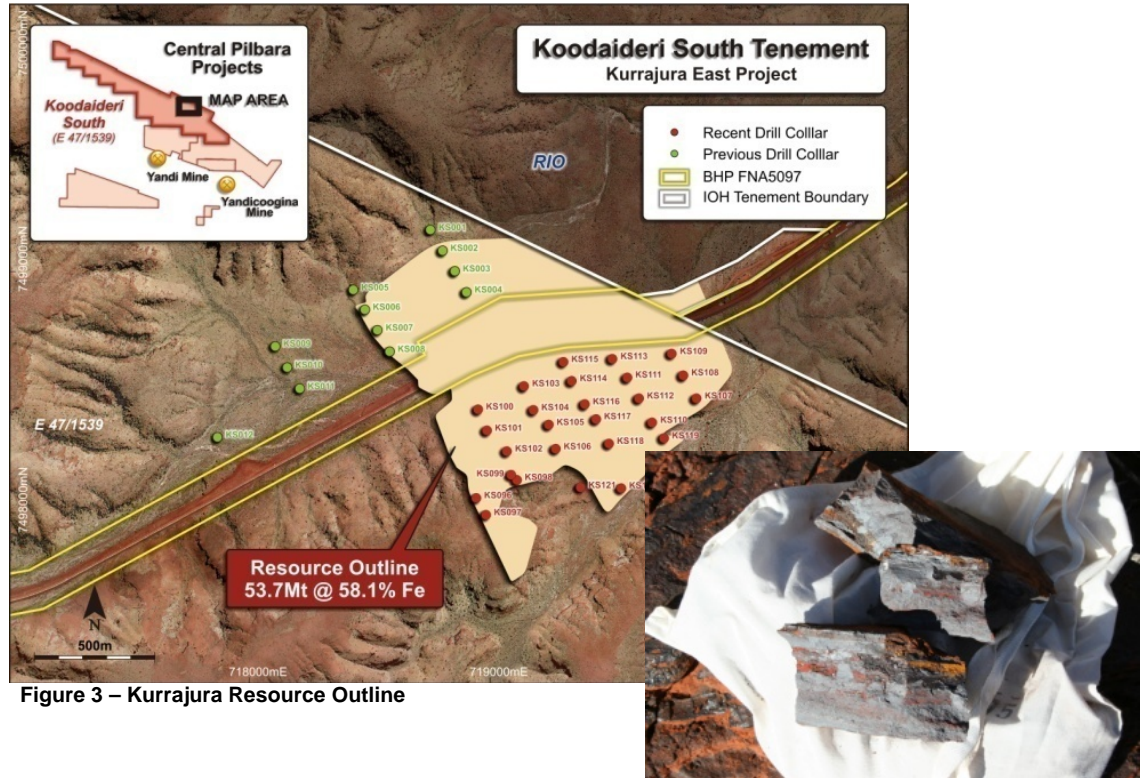


Figure 3 – Kurrajura Resource Outline

Drilling on the Boundary (RC 3,684 metres) and Bight (RC498 metres) prospects was completed for a total of 4,182 metres. Assay results are pending and once received resource modelling will commence.

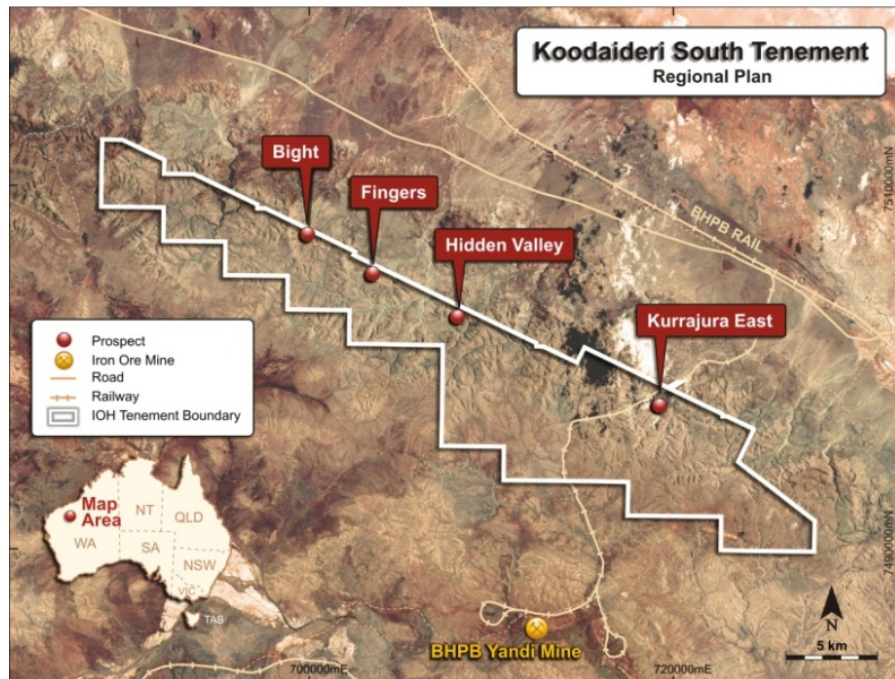


Figure 4 – Bight Prospect Location Plan

2.2 Western Pilbara Hub

A diamond core drilling program was completed within the Bungaroo South Project during the quarter for a total of 1,932 metres. In addition, 330 metres of RC drilling was conducted. This drilling assisted with determining the geological domain relationships within the resource model.

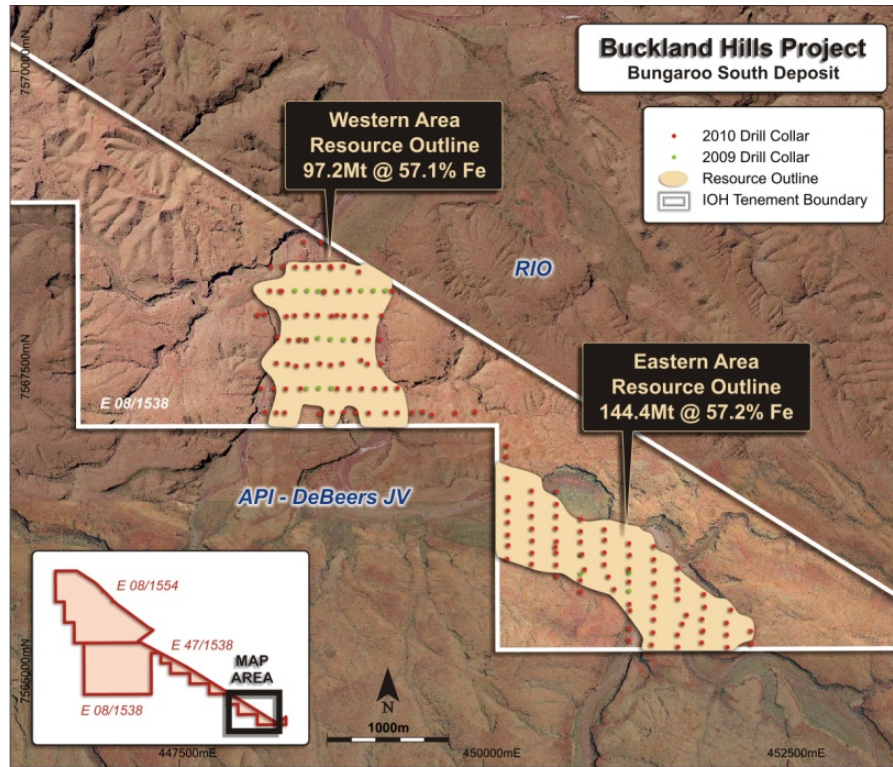


Figure 5: Bungaroo South Deposit Drill Location Plan

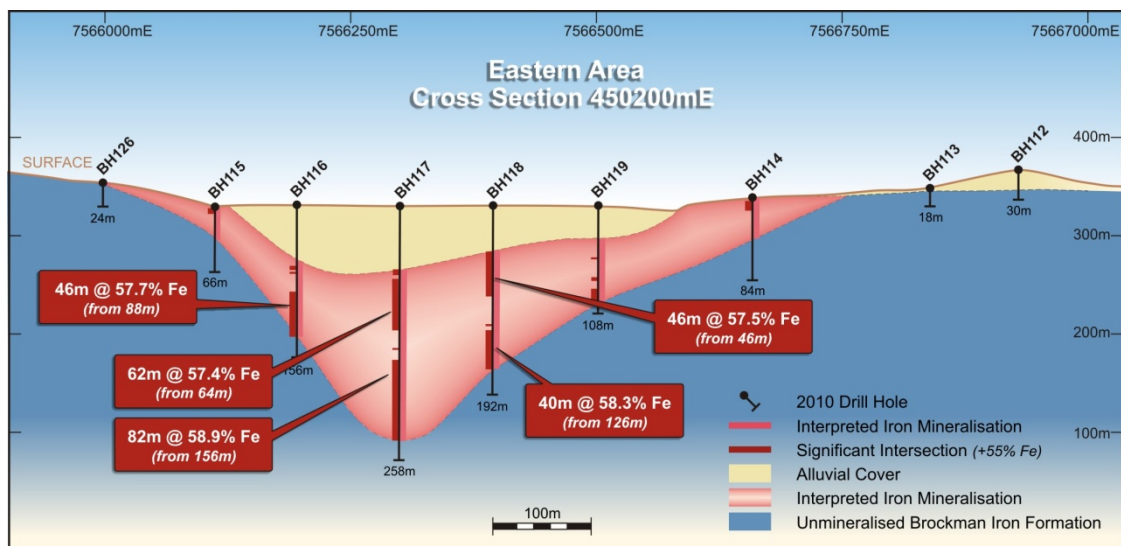


Figure 6: Bungaroo South Cross Section 450 200mE

The rugged nature of the terrain at the Snake Valley (Figure 7) required IOH to use a helicopter transportable drilling rig for first pass exploratory drilling. A total of five holes were drilled for 170metres with mineralisation consisting of reworked CID(Channel Iron Deposit) starting from surface and being approximately 10 metres thick. All assay results have been received and are presented in table 3.

Further drilling will be necessary to advance the prospect. IOH is currently assessing the best drilling strategy to use due to the rugged nature of the terrain.

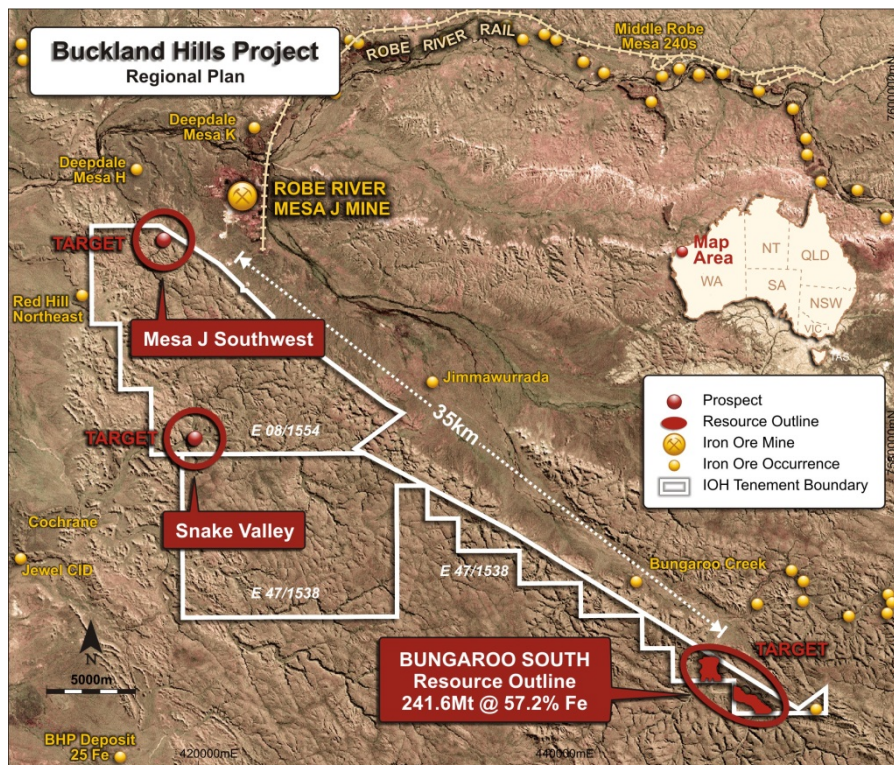


Figure 7: Location of Snake Valley prospect

Table 3 Snake Valley Significant Intercepts

Snake Valley Prospect (Average Grade for +55% Fe)

| HoleID | East | North | From (m) | To (m) | Width (m) | Fe% | SiO2% | Al2O3% | P% | LOI% |
|--------|--------|---------|------------------------|--------|-----------|-------|-------|--------|-------|-------|
| SV001 | 421530 | 7580290 | 0.00 | 22.00 | 22.00 | 59.52 | 2.72 | 2.13 | 0.152 | 8.77 |
| SV002 | 421030 | 7580680 | 0.00 | 8.00 | 8.00 | 58.51 | 6.19 | 1.53 | 0.142 | 7.79 |
| SV003 | 420350 | 7581300 | No Significant Results | | | | | | | |
| SV004 | 420098 | 7581203 | 2.00 | 10.00 | 8.00 | 53.20 | 7.49 | 4.47 | 0.090 | 11.03 |
| SV005 | 422200 | 7579900 | 0.00 | 16.00 | 16.00 | 59.66 | 3.28 | 2.37 | 0.142 | 8.30 |

Please note: Down hole intersection selection is based on a lower cut off of 55% Fe, 2m minimum width and internal dilution of maximum 2 m. Samples are individual 2m cone or riffle split RC samples. Results are from XRF Analysis by Ultra Trace Laboratories in Perth, Western Australia.

Assay results are presented below (table 4) for the Mesa J South West Prospect which was drilled in the previous quarter. Follow up drilling is planned for H1 to further progress the development of this prospect.

Table 4 Mesa J South West Prospect Significant Intercepts

Mesa J South West Prospect (Average Grade for +55% Fe)

| HoleID | East | North | From (m) | To (m) | Width (m) | Fe% | SiO2% | Al2O3% | P% | LOI% |
|--------|--------|---------|------------------------|--------|-----------|-------|-------|--------|-------|-------|
| MJ001 | 418040 | 7591630 | 0 | 6 | 6 | 57.88 | 5.79 | 3.62 | 0.046 | 6.69 |
| MJ002 | 418400 | 7591850 | 0 | 2 | 2 | 56.14 | 9.96 | 4.92 | 0.070 | 3.51 |
| MJ003 | 418300 | 7592050 | 0 | 2 | 2 | 55.44 | 6.59 | 2.15 | 0.117 | 11.26 |
| MJ004 | 418504 | 7592245 | 14 | 28 | 14 | 58.22 | 5.58 | 3.57 | 0.165 | 6.68 |
| MJ004 | and | and | 36 | 38 | 2 | 58.92 | 6.91 | 2.47 | 0.261 | 5.17 |
| MJ005 | 418800 | 7592050 | No Significant Results | | | | | | | |

Please note: Down hole intersection selection is based on a lower cut off of 55% Fe, 2m minimum width and internal dilution of maximum 2 m. Samples are individual 2m cone or riffle split RC samples. Results are from XRF Analysis by Ultra Trace Laboratories in Perth, Western Australia.

2.3 Maitland River

The Maitland River project area (figures 8 & 9) contains magnetite-carbonate banded iron formation units of the Archaean Cleaverville Formation. Within the tenement there is approximately 5 km strike length of outcropping magnetic BIF (Banded Iron Formation) within the tenement area which has a maximum width of 200m including internal shale and chert intervals within the main BIF zone.

As reported on the 18th of November 2010, IOH drilled two RC holes for a total of 576m to test the Cleaverville Formation that had been identified from magnetic anomalies and geological mapping completed on Maitland River project.

This initial scout drilling was successful in confirming the presence of magnetite mineralisation with drill hole MR002, which was drilled at a 50 degrees angle from the horizontal, intersecting magnetite mineralisation starting from a drill depth of 96m down to a depth of 348m (EOH) for an average grade of 30.7% Fe including internal dilution (Samples are individual 2m cone or riffle split RC samples. Results are from XRF Analysis by Ultra Trace Laboratories in Perth, Western Australia). MR 001 was drilled off of the magnetic high and did not return any significant intercepts.

IOH are planning a major drilling program to follow up these encouraging results and work is advanced on obtaining the necessary approvals to commence drilling in the first half of this year (H1 2011).

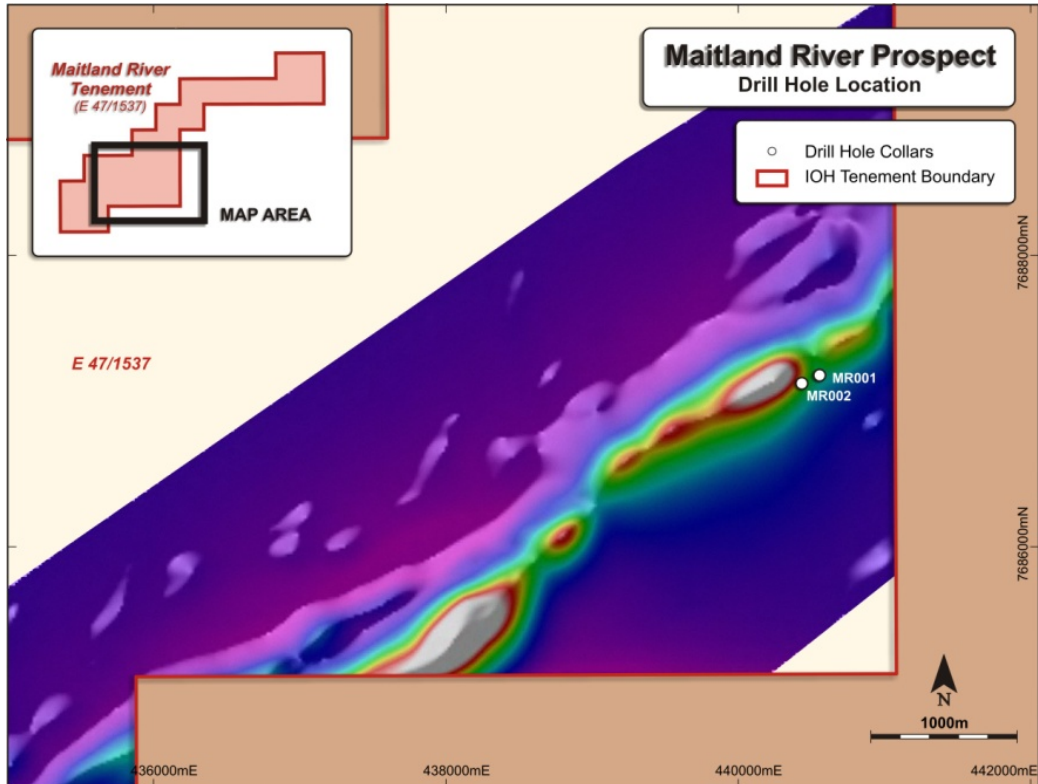


Figure 8 – Maitland River Drill Hole Location draped over aeromagnetic

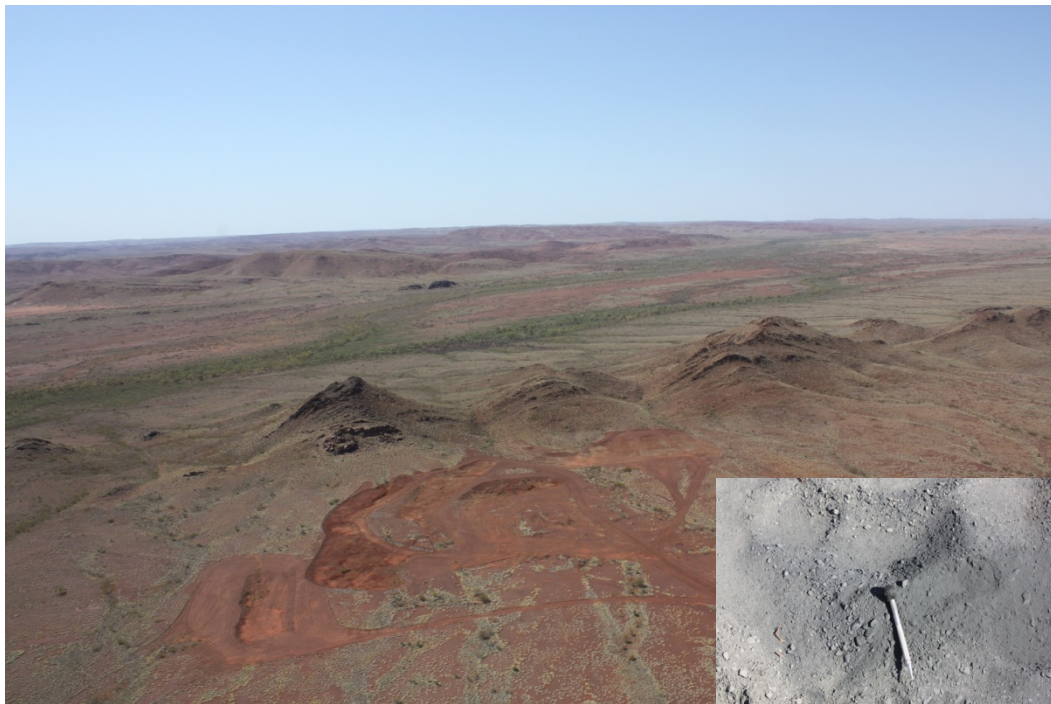


Figure 9 – Surface outcrop of magnetic BIF within Maitland River and drill cutting RC chip sample.

3 Other Exploration Activity

IOH is currently planning a comprehensive drilling programme for H1 2011. RC drilling programs are planned for the Central Pilbara Hub at Iron Valley, Kurrajura, Hidden Valley, Fingers, Breakaway and Wedge. In the Western Pilbara Hub, RC drilling is planned for Ricane and Mesa J Southwest and an RC drilling program has been designed for Maitland River.

IOH has submitted the necessary program of work approvals and is currently working with Native Title groups to conduct heritage surveys over the drilling areas. Once this work has been completed IOH will be able to commence drilling as soon as practicable after the wet season.

The drilling and exploration program that IOH has planned for H1 2011 will build on the success achieved this quarter which included;

Company's total JORC Resource reaching 647 Mt (table 1)

Central Pilbara Hub

- Kurrajura - Global JORC Resource of 53.7Mt @ 58.1% Fe (table 1)
- 4,704 metres drilled

Western Pilbara Hub

- Snake Valley and Mesa J South West assay results received
- 2,430 metres drilled

Maitland River

- Two scout holes completed. MR 002 magnetite mineralised intercept of 252m @ 30.7% Fe from 96m (hole drilled at 50 degrees)

4 Corporate Activity

Alwyn Vorster commenced in the role of CEO on 15th November 2010. Mr Vorster is a highly regarded mining professional who has held senior positions with global companies in technical and commercial roles. Previous roles include, Director of Business Development of Oakajee Port and Rail (OPR), Kumba Resources (a subsidiary of Anglo American) and Rio Tinto Iron Ore.

Competent Persons Statement:

The Mineral Resource estimates were based on data collated and interpreted by IOH staff and prepared and estimated by independent geological consultants, Lynn Widenbar & Associates. The resource was estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004).

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar.

Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate 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.

The information in this report that relates to exploration and drilling results is based on information compiled by Mr Mark Strizek, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Strizek is a full time employee of Iron Ore Holdings Ltd and 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 Hogan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.