

Quarterly Activities Report

For the period ending 30 September 2012



Drilling at Bungaroo South

HIGHLIGHTS DURING THE QUARTER

- **Announcement of \$73 million maiden profit for FY12**
- **Announcement of maiden resource at Western Satellites deposits**
- **Bungaroo South Pre-Feasibility Study advanced**
- **Maitland River Concept Study advanced**
- **Drilling campaign completed at Mount Dempster**

1. COMPANY OVERVIEW

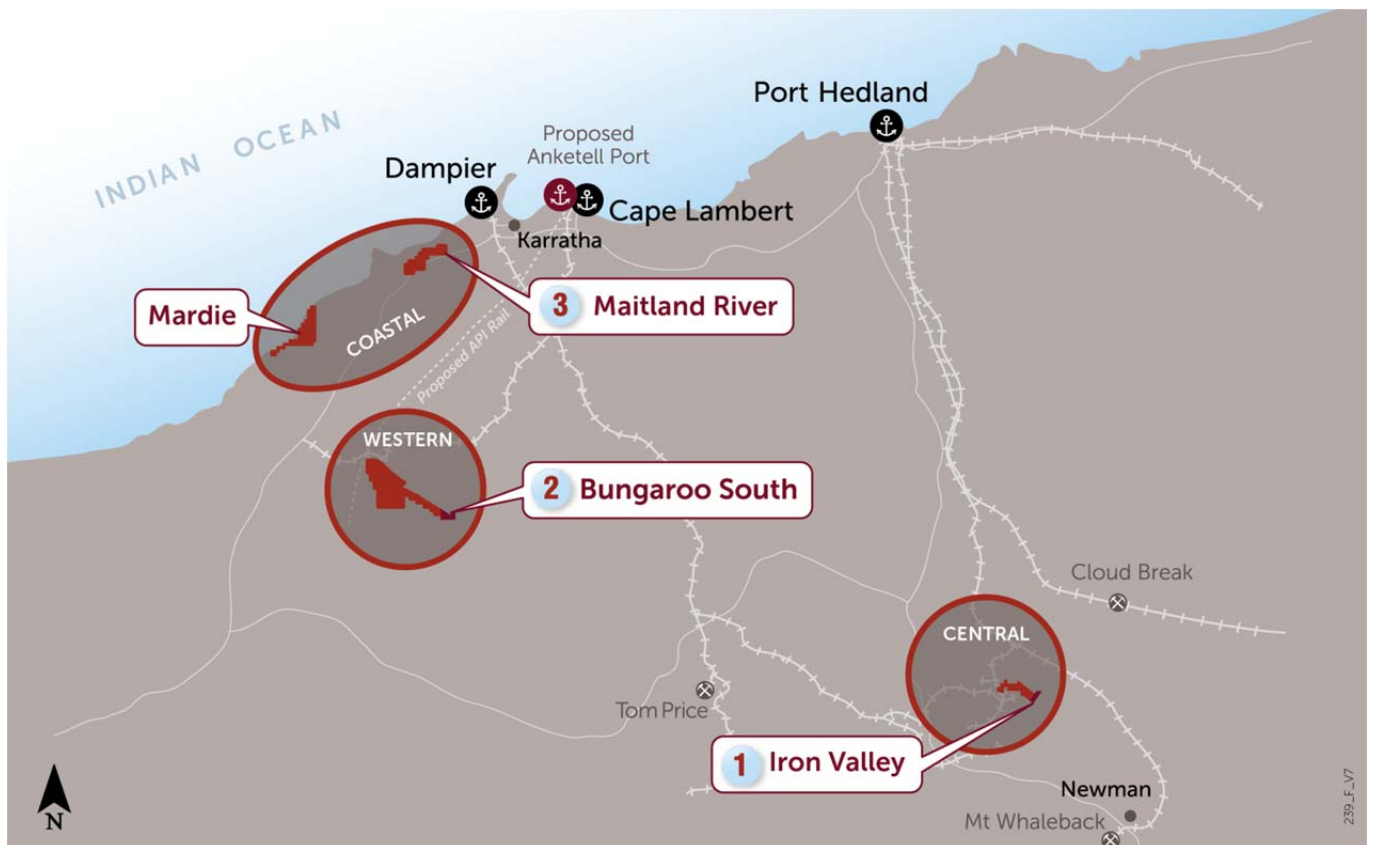
Iron Ore Holdings Ltd (IOH) owns and manages a portfolio of iron ore projects in the Pilbara region of Western Australia.

The three key projects are located within close proximity to existing and planned infrastructure (see Figure 1).

With more than 1.6 billion tonnes of JORC Resource, more than \$98 million in cash, a stable share register, as well as an experienced Board and senior management team, the company continues to be well positioned to deliver value.

Project locations are shown below:

Figure 1: IOH Project Locations in the Pilbara



2. OPERATIONS

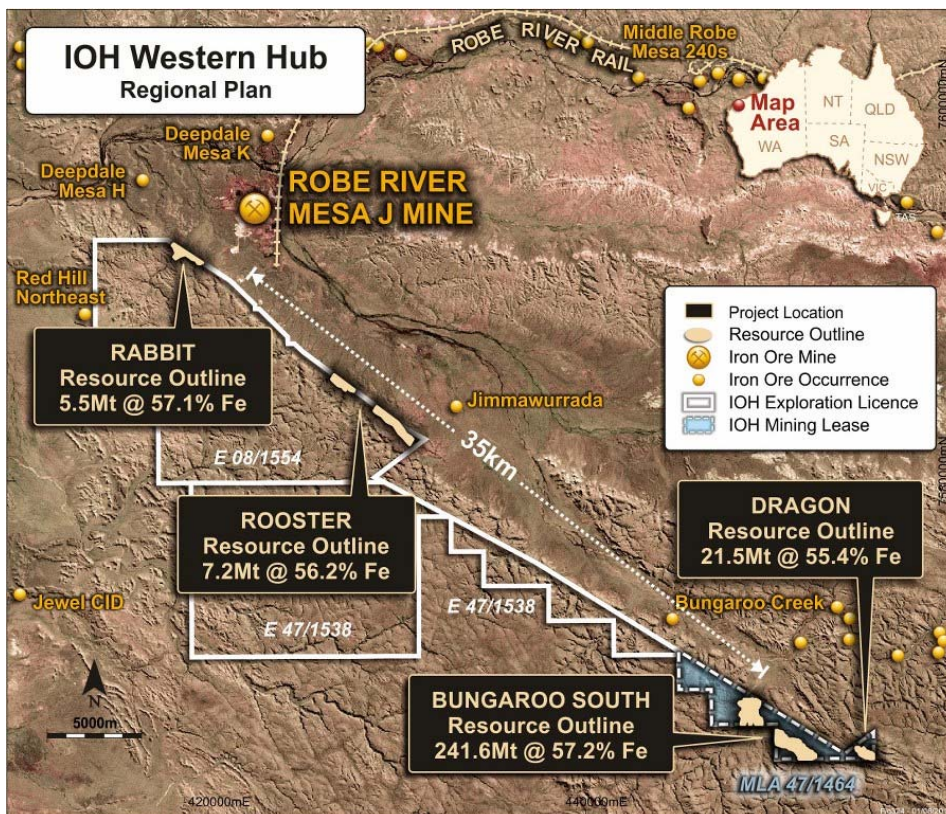
2.1. Exploration

a) Announcement of maiden resource at Western Satellites deposit

In August 2012, IOH announced the results of the drilling campaign within its Western Satellites area which delivered a total of 12.7 million tonnes of maiden JORC Inferred Resources for the Rabbit and Rooster Deposits (see Figure 2).

The exploration program on the smaller satellite deposits has mainly been undertaken to create future product blending flexibility with the larger Bungaroo South deposit.

Figure 2: Rabbit and Rooster Deposits – Resource Outline



b) 2012 exploration drilling campaign completed at Mount Dempster

The 2012 exploration drilling campaign at Mount Dempster was completed during this quarter with all of the drill samples logged and submitted for analysis. Geological modelling will continue with a resource announcement expected in Q1 CY 2013.

2.2. Tenement Application

During the quarter IOH was granted Exploration Tenement E08/2178-I, which covers an area of 41 square kilometres in the Western Pilbara.

2.3. Project Studies

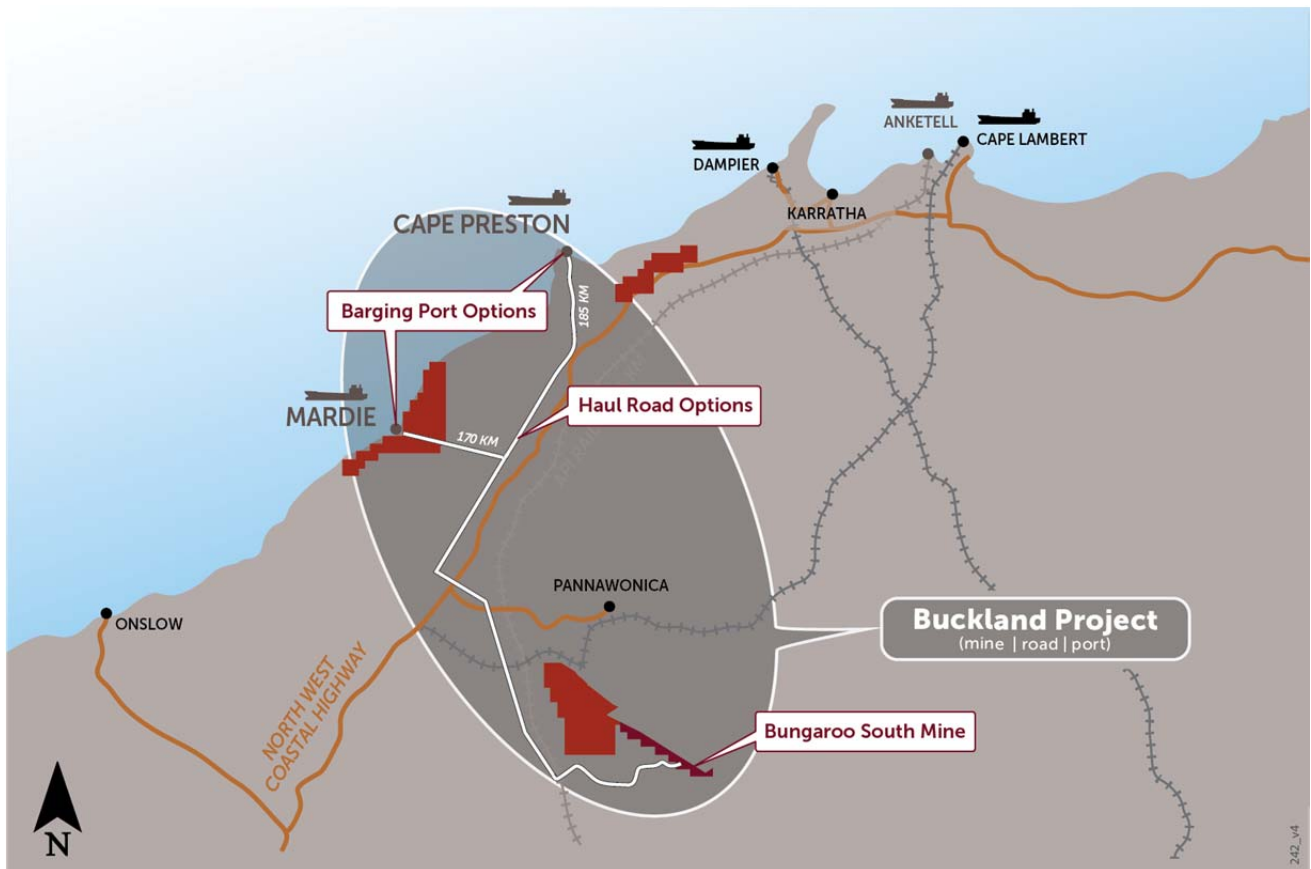
a) Bungaroo South Pre-Feasibility Study

Activities to complete the Pre-Feasibility Study (PFS) at Bungaroo South continued during this quarter.

The Bungaroo South area hosts IOH's flagship Bungaroo South channel iron deposit (CID) and the Dragon bedded iron deposit (BID).

The PFS is expected to be completed in Q4 of CY2012 and its activities have now been included within an area referred to as the "Buckland Project" (see Figure 3 below).

Figure 3: Buckland Project – Potential Infrastructure Options



The Buckland Project PFS is focused on two main potential business cases:
1) a high tonnage case (10 - 15 Mtpa); and
2) a lower tonnage case (4 – 8 Mtpa) supporting earlier production.

Figure 4: Bungaroo South Deposit Geometry

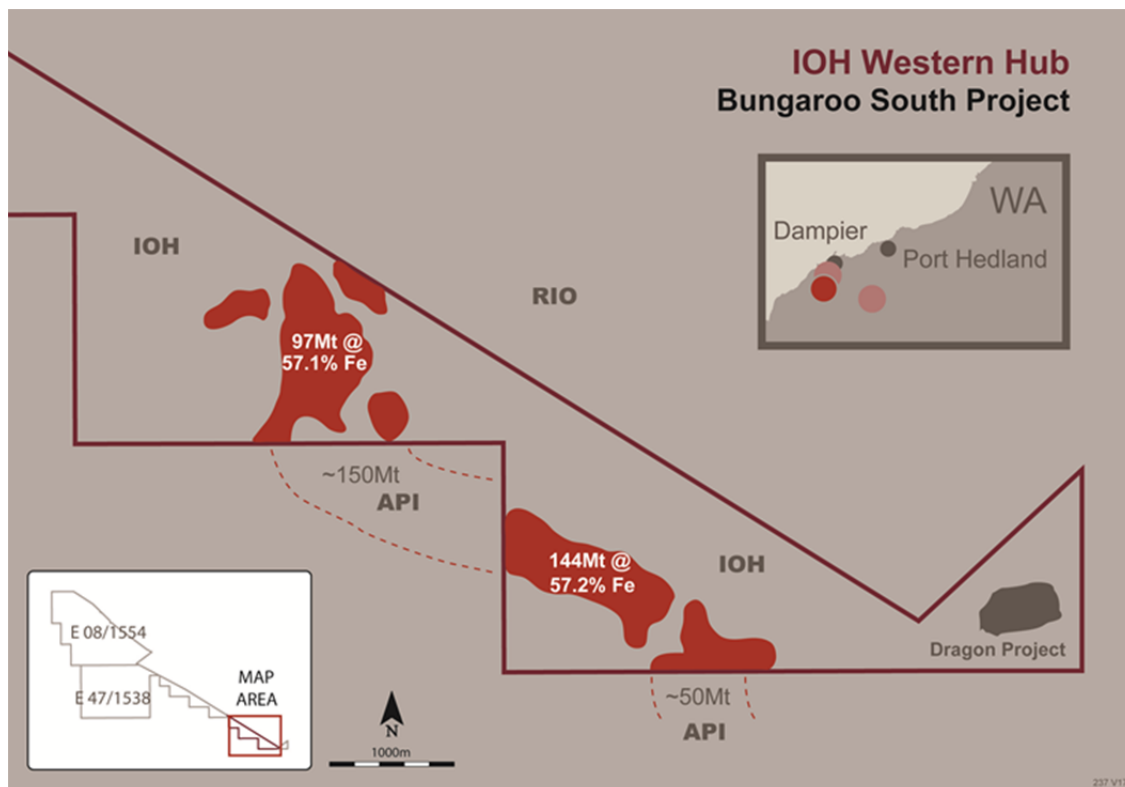
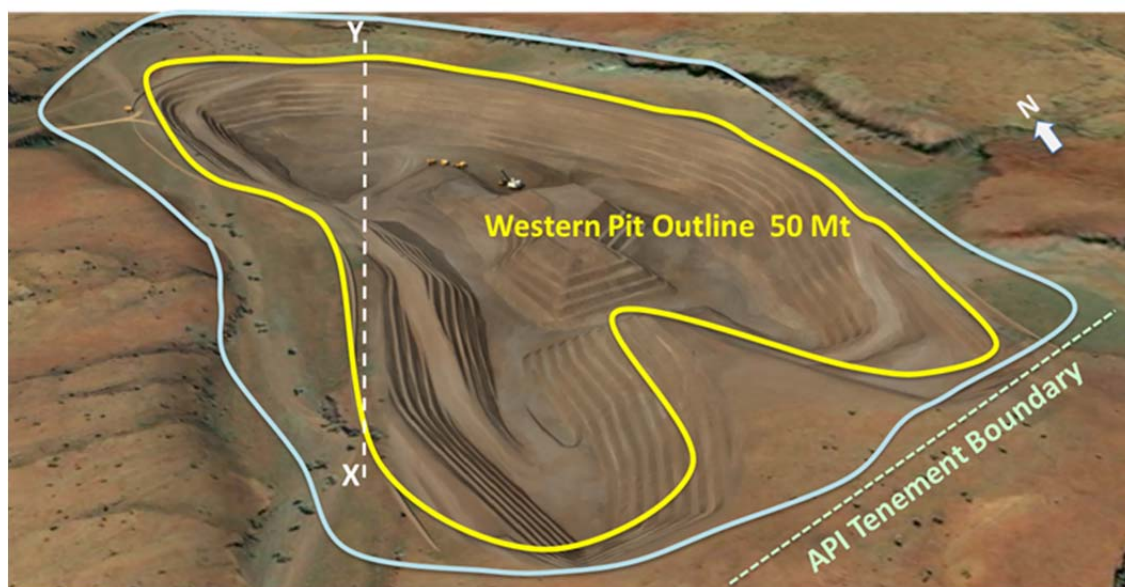


Figure 5: Bungaroo South Deposit – Western Pit Outline



Key deliverables of the PFS include:

- converting a component of the Inferred Resource to an Indicated Resource;
- converting a component of Resources to Reserves;
- establishing optimum mine production cases and water management solutions;
- identifying viable transport infrastructure options;
- establishing viable independent port solutions;
- progressing project approvals; and
- establishing credible industry standard capital and operating cost estimates.

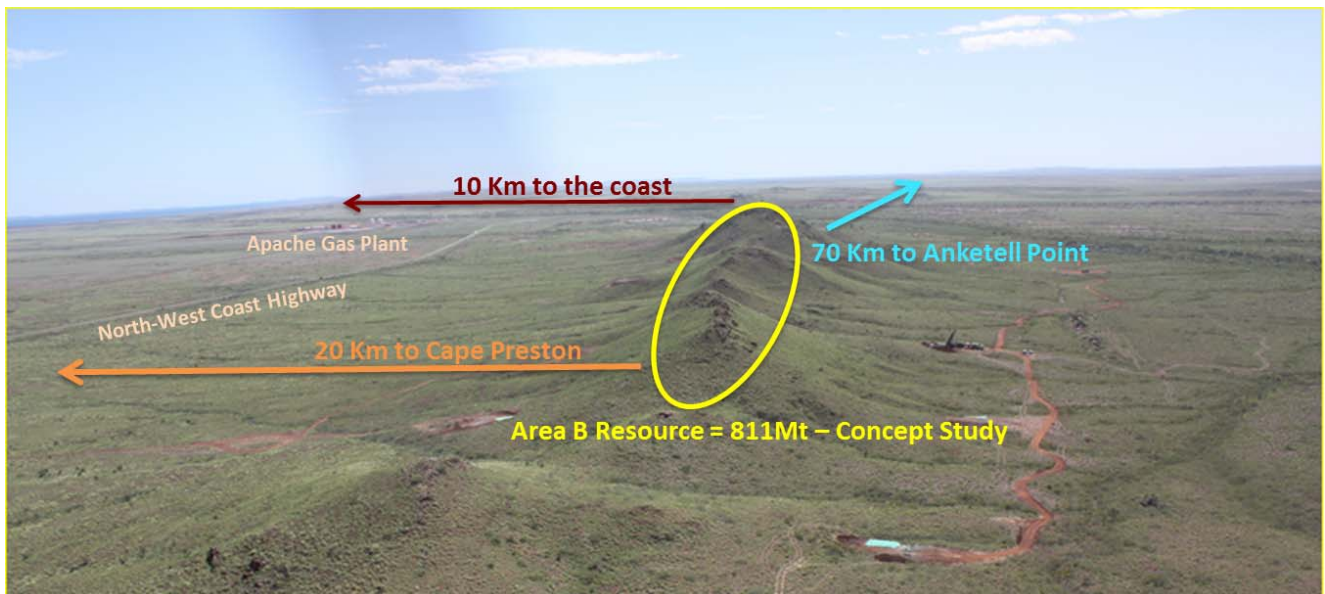
IOH has set the following near term goals for the Buckland Project:

- granting of a Mining Lease for Bungaroo South;
- declaration of IOH's maiden Ore Reserve at Bungaroo South;
- finalisation of the project Pre-Feasibility Study;
- execution of a Land Access Agreement with the Yaburara Mardudhunera (YM) people; and
- securing Government endorsement for the development of a small scale barging facility.

b) Maitland River Concept Study

Activities are well advanced on the Maitland River Concept Study. The deliverables from the study include a definition of the most suitable magnetite mine footprint, metallurgical flow sheet parameters, road and slurry pipe options for transporting the concentrate to a port facility, as well as determining options for accessing water and power.

Figure 6: Maitland River – Aerial View



3. JORC RESOURCES

At 30 September 2012, IOH had a total JORC Mineral Resource of 1,688 million tonnes, including a Magnetite Resource of 1.1 billion tonnes at Maitland River in the Coastal Pilbara, 305 million tonnes of BID in the Central Pilbara and 276 million tonnes of BID and CID Resources in the Western Pilbara (refer Table 1).

Table 1: IOH JORC Mineral Resource at 30 September 2012

Location	Project or Tenement	JORC Indicated Resource (Mt)	JORC Inferred Resource (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	Cut off (% Fe)	Total (Mt)
Central Pilbara	Iron Valley	216.3		58.4	63.0	5.1	3.1	0.18	7.3	50	259.1
			42.8	57.9	61.1	7.0	3.9	0.14	5.2	50	
Western Pilbara	Bungaroo South		241.6	57.2	62.2	7.0	2.4	0.15	8.1	50	275.8
	Dragon		21.5	55.4	60.5	7.9	3.6	0.15	8.4	50	
	Rabbit		5.5	57.1	61.1	7.5	3.3	0.12	6.5	50	
	Rooster		7.2	56.2	60.6	6.5	4.8	0.08	7.2	52	
BID / CID Total		216.3	318.6								534.9
Central Pilbara	North Marillana	46.8		50.0	55.8	9.5	7.7	0.05	10.4	45	46.8
Blending Material Total		46.8									
Coastal Pilbara	Maitland River (Magnetite)		1,106.0	30.4	30.8	44.0	2.3	0.06	1.2	26	1,106.0
Magnetite Total			1,106.0								
Total Mineral Resource		263.1	1,424.6	Total Resource (Indicated and Inferred)							1,687.7

4. CORPORATE

4.1. Safety

Additional Health, Safety and Environmental guidelines, designed to maintain the excellent safety record of the Company, were introduced during the quarter.

4.2. Profit Announcement

On 31 August 2012 IOH announced a maiden profit before income tax of \$73 million.

The maiden profit was mainly generated from three significant transactions that realised \$99 million cash as part of the Company's Central Pilbara asset commercialisation strategy and more than offset IOH's expenditure accumulated since listing in 2005.



4.3. Cash

IOH had a cash balance as at 30 September 2012 of \$98.46 million. All of IOH's planned exploration drilling for FY2013 was completed in the quarter, accordingly the cash costs for exploration activity will be significantly lower for the remaining quarters of FY2013.

4.4. Share Buy-Back

For the quarter, IOH purchased and cancelled a total of 156,089 shares through the Share Buy-Back process, at a cash cost of \$143,497.

5. SUBSEQUENT EVENTS

5.1. Native Title Land Access Agreement

On 23 October 2012, IOH announced that a major development milestone had been achieved for its Buckland Project in the signing of a key Native Title Land Access Agreement with the Kuruma Marthudunera (KM) Native Title claimant group.



Competent Persons Statement:

The information in this report that relates to exploration, exploration targets and drilling results is based on information compiled by Mr Manohar Ghorpade, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ghorpade 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 Ghorpade consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources 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.

Corporate Profile (as at 30 September 2012)

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of iron ore tenements and projects within 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 a highly 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
Mal Randall	Non-Executive Director
Brian O'Donnell	Non-Executive Director
Ryan Stokes	Non-Executive Director

Registered Office:

1/1 Altona Street
West Perth, WA, 6005

T: (08) 9483 2000

F: (08) 9321 0322

E: info@ironoreholdings.com

W: www.ironoreholdings.com

Company Secretary:

Simon Robertson

Share Registry:

Security Transfer Registrars Pty Limited.

770 Canning Highway

Applecross, WA, 6153

www.securitytransfer.com.au

Executive Team:

Alwyn Vorster	Managing Director
Christian Johnstone	Chief Financial Officer
Brett Hazelden	GM Project Development
Zen Davison	GM Business Development
Manohar Ghorpade	Chief Geologist

Major Shareholders

Wroxby Pty Ltd	52.7 per cent
Sumisho Iron Pty Ltd	4.4 per cent