

Award of Bungaroo South Prefeasibility Study Contracts

Highlights

- **Key contracts awarded for the Bungaroo South Pre-Feasibility Study (PFS)**
- **The Bungaroo South area has 263 Mt JORC Inferred Resource of bedded hematite and channel iron deposits**
- **The PFS will address key project development options including mining rates, water management, infrastructure solutions and cost estimates**
- **Completion of the PFS is targeted for Q4 CY2012, after which IOH will select the preferred commercialisation pathway for Bungaroo South**

Iron Ore Holdings Limited (IOH) is pleased to announce that it has awarded the initial material contracts, valued at more than \$3 million, for the execution of a PFS on its Bungaroo South project in the Western Pilbara region of Western Australia.

The Bungaroo South area hosts IOH's flagship Bungaroo South Channel Iron Deposit (CID) and the Dragon bedded hematite deposit which jointly have a total 263 Mt of JORC Resources. Bungaroo South is located adjacent to the Australian Premium Iron (API) Joint Venture's Buckland Hills deposits, with parts of the deposits being contiguous.

The Bungaroo South PFS will focus on two main potential business cases:

- i) a 10-15 Mtpa production case based on the 2011 Concept Study; and
- ii) an initial lower tonnage case supporting earlier production.

The PFS will commence immediately and is expected to be completed in Q4 of CY2012. Key deliverables for the PFS include:

- converting JORC Resources from an Inferred to an Indicated category;
- establishing optimum mine production cases and water management solutions;
- establishing transport infrastructure options including road, conveyor and rail;
- establishing port solutions including Anketell and other options;
- implementing project approvals processes; and
- establishing credible industry standard capital and operating cost estimates.

Key contracts awarded for the PFS include:

- Sinclair Knight Merz (SKM) for plant, rail and mine site infrastructure;
- Snowden Group for mining and geotechnical studies;
- RPS Group (Aquaterra) for surface and ground water studies;
- Shawmac Pty Ltd for access and haul road design;
- Wyntak Pty Ltd for road haulage assessments; and
- Strategem Environmental Consulting Pty Ltd for environmental impact assessments.

Managing Director, Alwyn Vorster, described the awarding of these contracts for the Bungaroo South PFS as another milestone for the company.

“Following the commercialisation transaction with Fortescue Metals Group on our Iron Valley project, the development and commercialisation of Bungaroo South is a key priority,” he said.

“This eight month PFS period will allow IOH to appropriately value the deposit and its potential development options.

“The Board will then be in a suitable position to decide whether the deposit will be divested, joint ventured or whether IOH will proceed with self-development options.

“In addition to Bungaroo South, IOH is continuing its exploration programs at the Mt Dempster and Maitland River magnetite deposits, as well as the smaller Western Satellite deposits, with resource upgrades scheduled progressively during CY2012.

“With the IOH cash position of around \$120 million we are well placed to implement extensive drilling and study programs, as well as actively considering other resource investment opportunities,” Mr Vorster said.

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Figure 1: IOH Project Locations in the Pilbara

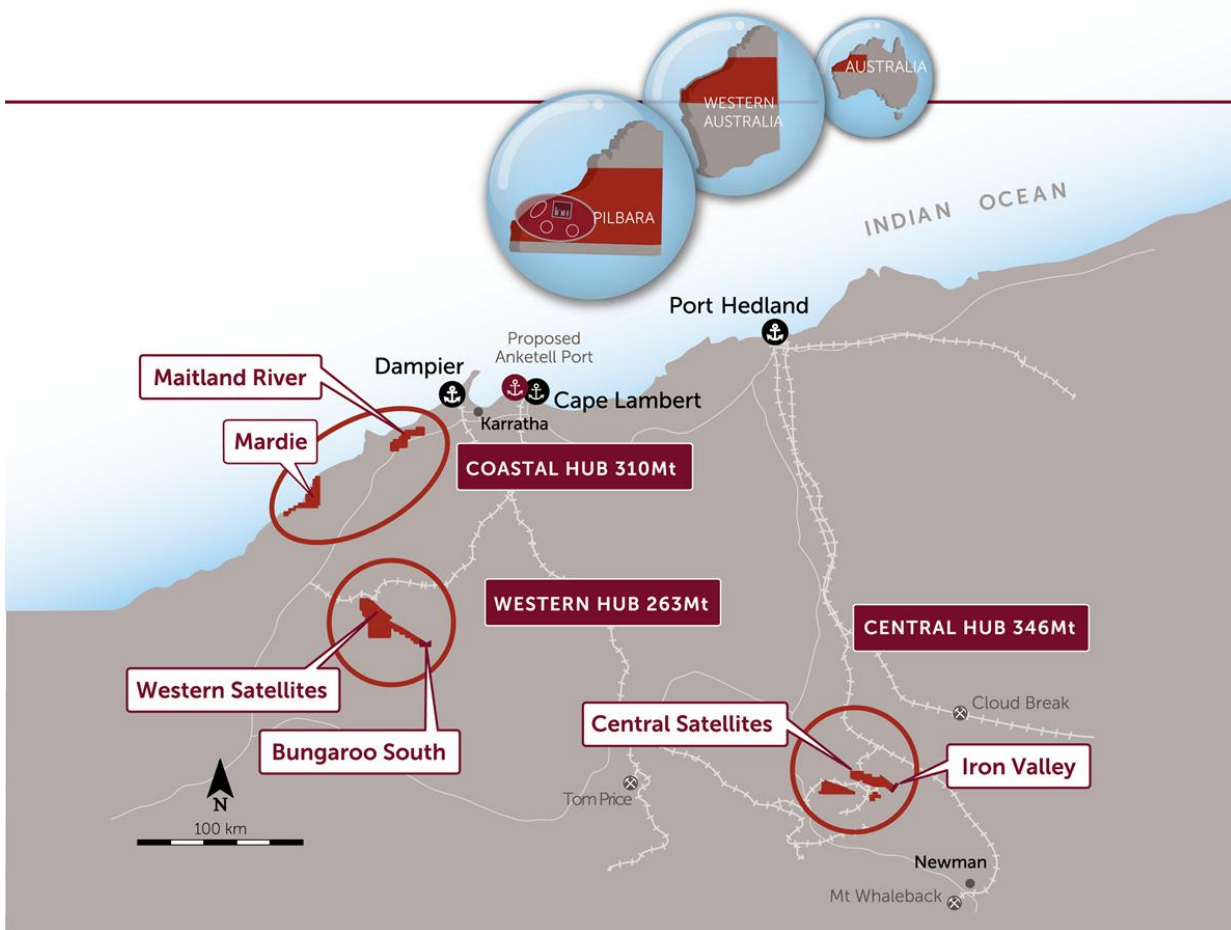


Figure 2: Bungaroo South Project Location in the Western Hub

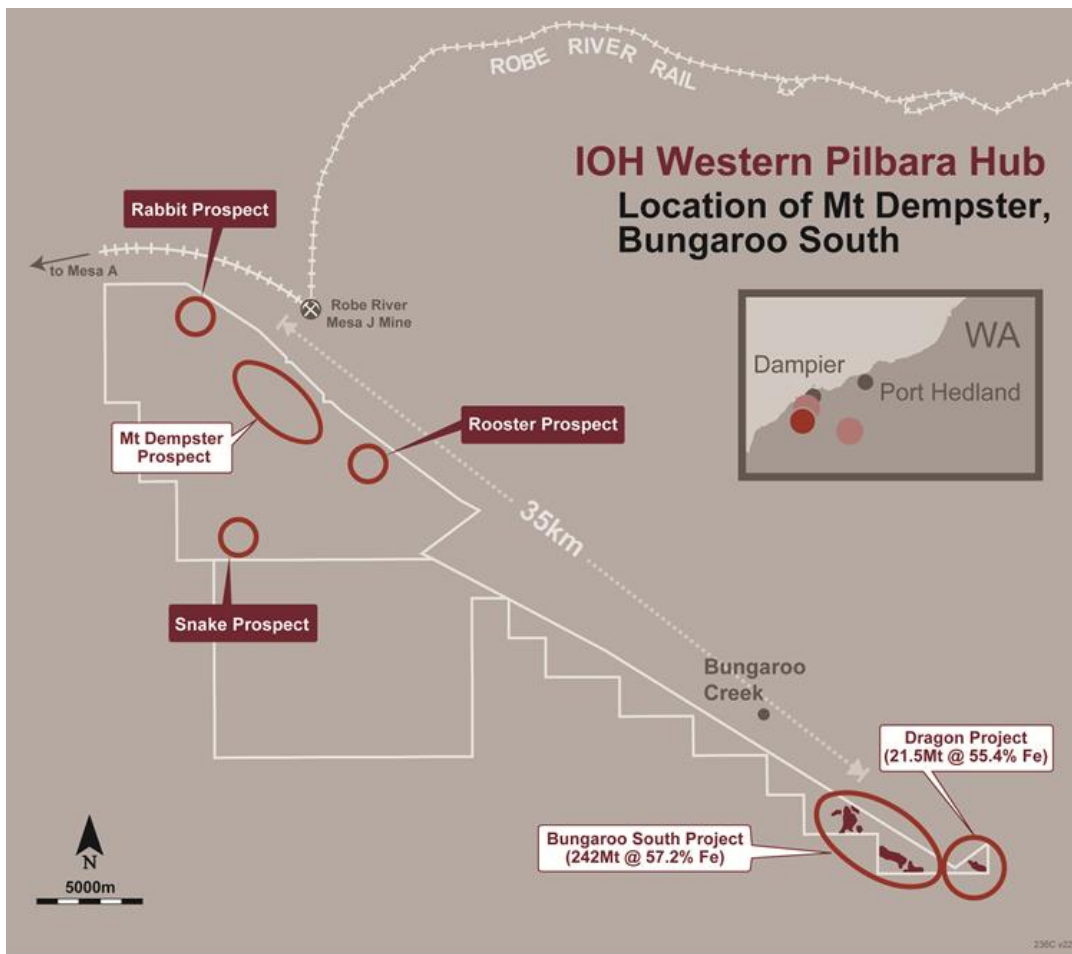


Figure 3: Bungaroo South Project – Deposit Geometry

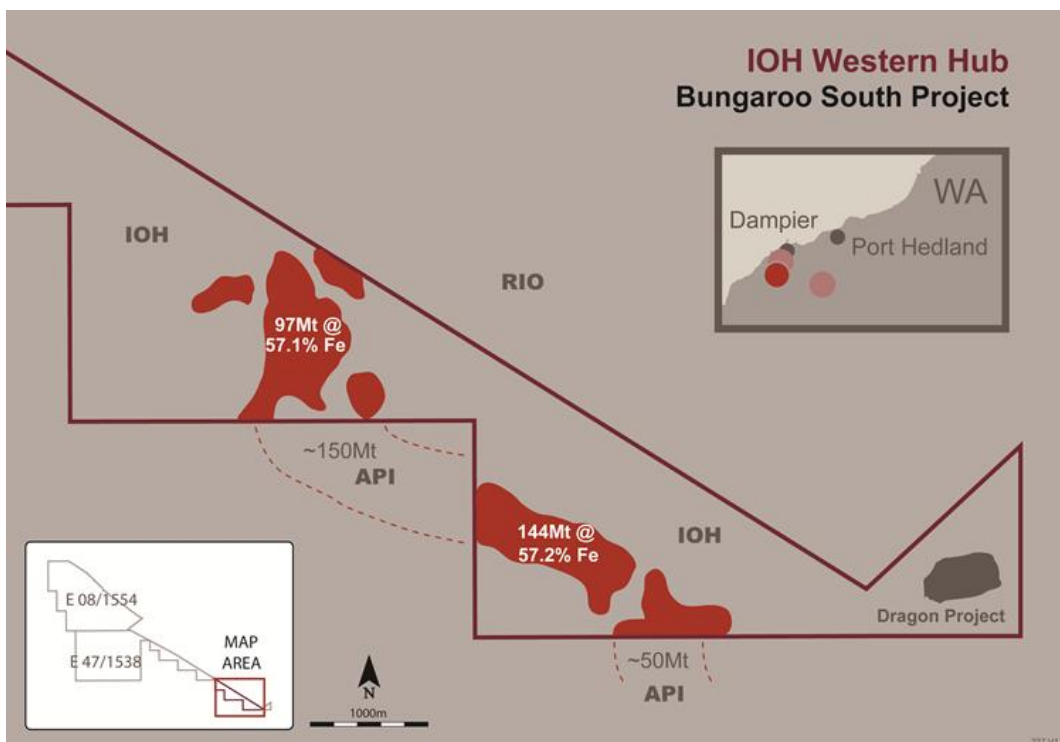


Table 1: IOH JORC Mineral Resource at 11 April 2012

| Hub | Project or Tenement | JORC Indicated Resource | JORC Inferred Resource | Fe | CaFe | SiO ₂ | Al ₂ O ₃ | P | LOI | Cut-off | Total |
|-------------------------------|----------------------------|-------------------------|------------------------|--|------|------------------|--------------------------------|------|------|---------|----------------|
| | | | | (%) | (%) | (%) | (%) | (%) | (%) | (Fe) | |
| Central Pilbara | Iron Valley | 216.3 | | 58.4 | 63.0 | 5.1 | 3.1 | 0.18 | 7.3 | 50% | 305.9Mt |
| | | | 42.8 | 57.9 | 61.1 | 7.0 | 3.9 | 0.14 | 5.2 | 50% | |
| | North Marillana | 46.8 | | 50.0 | 55.8 | 9.5 | 7.7 | 0.05 | 10.4 | 45% | |
| Western Pilbara | Bungaroo South | | 241.6 | 57.2 | 62.2 | 7.0 | 2.4 | 0.15 | 8.1 | 50% | 263.1Mt |
| | Dragon | | 21.5 | 55.4 | 60.5 | 7.9 | 3.6 | 0.15 | 8.4 | 50% | |
| Coastal Pilbara | Maitland River (Magnetite) | | 310.0 | 34.7 | 34.7 | 42.0 | 1.4 | 0.06 | 0.1 | 25% | 310.0Mt |
| Total Mineral Resource | | 263.1 | 615.9 | Total Resource (Indicated and Inferred) | | | | | | | 879.0Mt |

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 March 2012)

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of hematite 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: 163,072,808

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 |

Company Secretary:

Simon Robertson

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 |

Registered Office:

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Share Registry:

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

Major Shareholders:

| | |
|----------------|---------------|
| Wroxby Pty Ltd | 52.1 per cent |
| Sumisho Iron | 4.3 per cent |