

4 September 2013

Divestment of North Marillana Tenements

Highlights

- **Agreement for divestment of North Marillana group of tenements**
- **Upfront cash payment of \$2.5 million**
- **Additional payments of up to \$5.25 million upon reaching development milestones**
- **FOB royalty of up to 2.5% on future production from the tenements**
- **Transaction concludes successful monetisation of IOH's Central Pilbara tenements**

Iron Ore Holdings Ltd (**ASX:IOH**) has concluded a transaction for the sale to Maiden Iron Pty Ltd (Maiden Iron) of the North Marillana group of satellite tenements in the Central Pilbara area of Western Australia (see Figure 1) for up to \$7.75 million in cash payments and a royalty on the iron ore produced. The transaction is subject to Ministerial approval for the transfer of Mining Leases to Maiden Iron.

The North Marillana satellite tenements are made up of four Mining Leases, M47/1353-I, M47/1354-I, M47/1355-I and M47/1356-I, referred to as the Extension tenements and two Exploration Licences, E47/1239-I and E47/2001-I, known as the Breakaway tenements. The Extension tenements contain a JORC Indicated Resource of 15.6Mt at 54.0% Fe (refer ASX announcement dated 15 February 2013). Native Title Agreements have been secured over the tenements.

Maiden Iron will pay to IOH a cash amount of \$2.5 million to acquire the Extension tenements and to obtain a 12 month option over the Breakaway tenements. Upon production at Extension and the Breakaway option being exercised, further cash payments of \$5.25 million total will be made to IOH. A royalty of up to 2.5% of the FOB iron ore price will be payable to IOH for iron ore produced from the tenements.

Maiden Iron will meet all expenditure requirements during the Breakaway option period, and if the option expires the tenements will revert unencumbered to IOH.

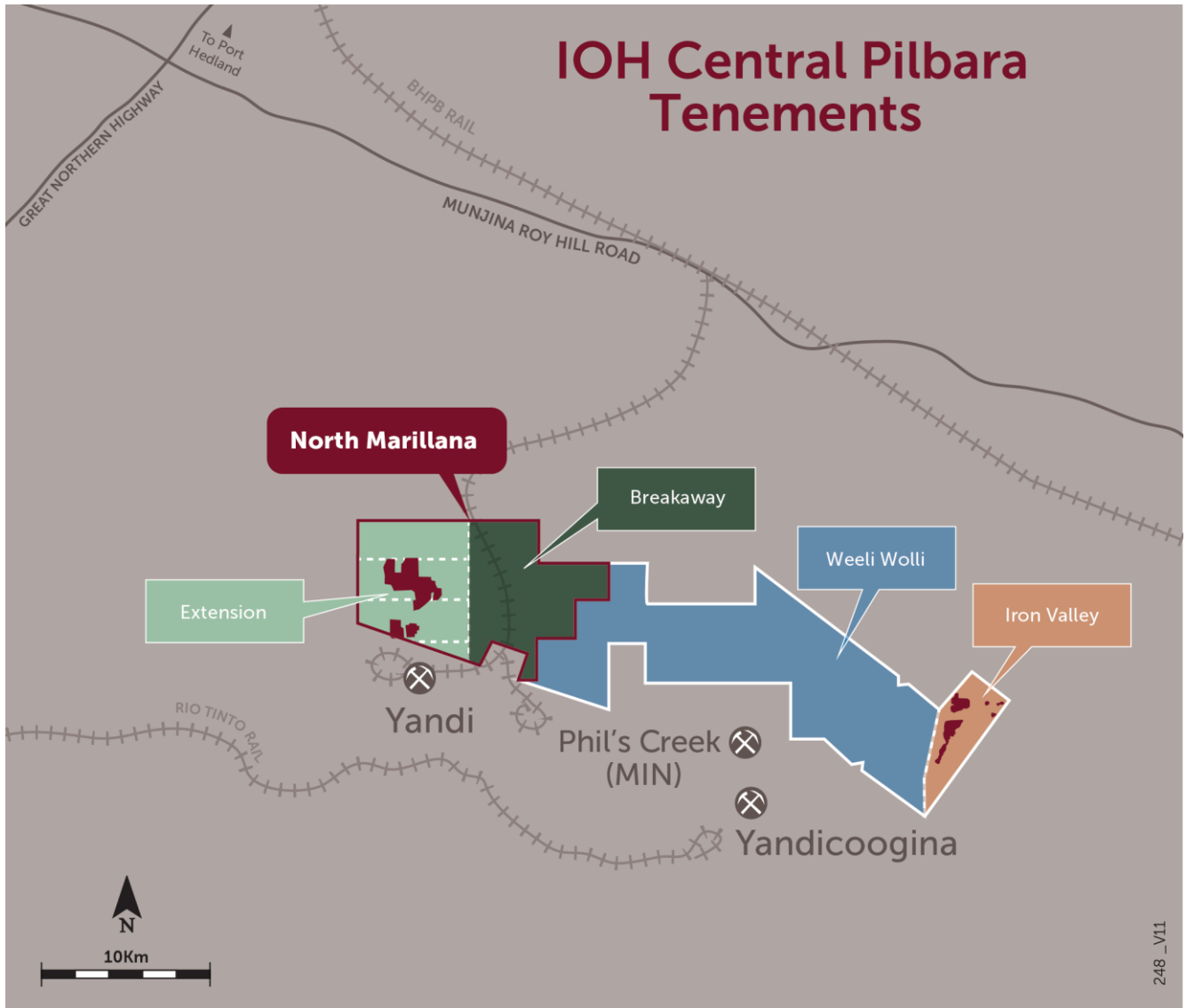
This is the fifth transaction since IOH commenced a formal commercialisation process on its Central Pilbara tenements in late 2011. The previous transactions were:

- Sale of Koodaideri South satellite tenement to Rio Tinto for \$32 million cash plus a 2% FOB royalty;
- Sale of Phil's Creek and Lamb Creek satellite tenement package to Mineral Resources Ltd for \$42 million cash;
- Iron Valley 12-month option deal with FMG which delivered a net \$20 million benefit to IOH; and
- Iron Valley mine gate sale transaction with Mineral Resources Ltd which aims to deliver revenue from 2014.

Managing Director, Alwyn Vorster, noted that the North Marillana transaction offers synergies and benefits to both parties: *"With IOH currently primarily focused on securing funding, approvals and tenure for the development of our Buckland Project, the North Marillana tenements are better suited to Maiden Iron's development approach, and we wish them success in producing iron ore as soon as possible", Mr Vorster said.*

*** ENDS ***

Figure 1: North Marillana Tenements Location



APPENDIX A

Table 1: IOH JORC (2004) Mineral Resource at 4 September 2013

Location	Project or Tenement	Cut off (% Fe)	JORC Indicated Resources (Mt)	JORC Inferred Resources (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	Total (Mt)
Central Pilbara	Iron Valley	50	216.3 ^A	-	58.4	63.0	5.1	3.1	0.18	7.3	274.7
		50	-	42.8	57.9	61.1	7.0	3.9	0.14	5.2	
	North Marillana	53	15.6 ^B		54.0	60.2	6.0	5.7	0.05	10.3	
Western Pilbara	Bungaroo South	53	179.7 ^C	-	58.0	63.1	5.9	2.4	0.15	8.1	284.6
		53	-	68.6	55.1	60.0	9.6	2.6	0.14	8.2	
	Dragon	50	-	16.0	55.7	60.6	7.7	3.7	0.14	8.1	
	Rabbit	52	-	6.0	56.8	60.7	7.9	3.4	0.13	6.5	
	Rooster	52	-	7.2	56.2	60.6	6.5	4.8	0.08	7.2	
	Snake	50	-	7.1	57.0	62.6	5.8	2.8	0.15	9.0	
Coastal Pilbara	Maitland River (Magnetite)	26	-	1,106.0	30.4	30.8	44.0	2.3	0.06	1.2	1,106.0
Magnetite Total			-	1,106.0							
Total Mineral Resources			411.6	1,253.7	Total Resources (Indicated and Inferred)						1,665.3

^A Includes Probable Ore Reserve of 134.7 Mt (see Table 2 below).

^B Once Ministerial approval is obtained to transfer the mining leases for North Marillana to Maiden Iron these tonnes will be removed from IOH's JORC (2004) Mineral Resources.

^C Includes Probable Ore Reserve of 92.4 Mt (see Table 2 below).

Table 2: IOH JORC (2004) Probable Ore Reserve at 4 September 2013

Location	Project or Tenement	Cut-off (% Fe)	JORC Proven Reserve (Mt)	JORC Probable Reserve (Mt)	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	Total (Mt)	
Central Pilbara	Iron Valley	53		134.7	58.5	63.0	4.9	3.2	0.17	7.2	134.7	
Western Pilbara	Bungaroo South	West	54	-	31.4	57.9	62.7	5.9	2.9	0.15	7.7	92.4
		East	54	-	61.0	57.5	62.3	6.5	2.3	0.15	8.3	
Total Ore Reserve				227.1							227.1	

Competent Persons Statements:

The information in this report that relates to exploration, exploration targets and drilling results is based on information compiled by Mr Roland Bartsch, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bartsch is a full time contract 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 Bartsch 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 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.

The information in this report that relates to Ore Reserve estimations for Bungaroo South and Iron Valley Deposits 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.

Disclaimer:

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Iron Ore Holdings Ltd'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 3 September 2013)

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
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 Commercial
Roland Bartsch	GM Geology
Michael Klvac	GM Corporate Affairs

Share Registry:

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

Registered Office:

Level 1
1 Altona Street
West Perth WA 6005

Major Shareholders:

Wroxby Pty Ltd	52.7 %
3 rd Wave Investors	4.7 %
Sumisho Iron	4.3 %

T: (08) 9483 2000
F: (08) 9321 0322
E: info@ironoreholdings.com
W: www.ironoreholdings.com