

Quarterly Activities Report

For the period ending 31 December 2013

HIGHLIGHTS

Iron Valley Project

- Final Ministerial approval for land use under the Aboriginal Heritage Act.
- All IOH's obligations for initial development have now been achieved.

Buckland Project

- Feasibility Study - key design activities 90% completed.
- Port lease negotiations with State Government advanced.
- Road licencing process advanced.
- Commercial and funding structure being progressed.

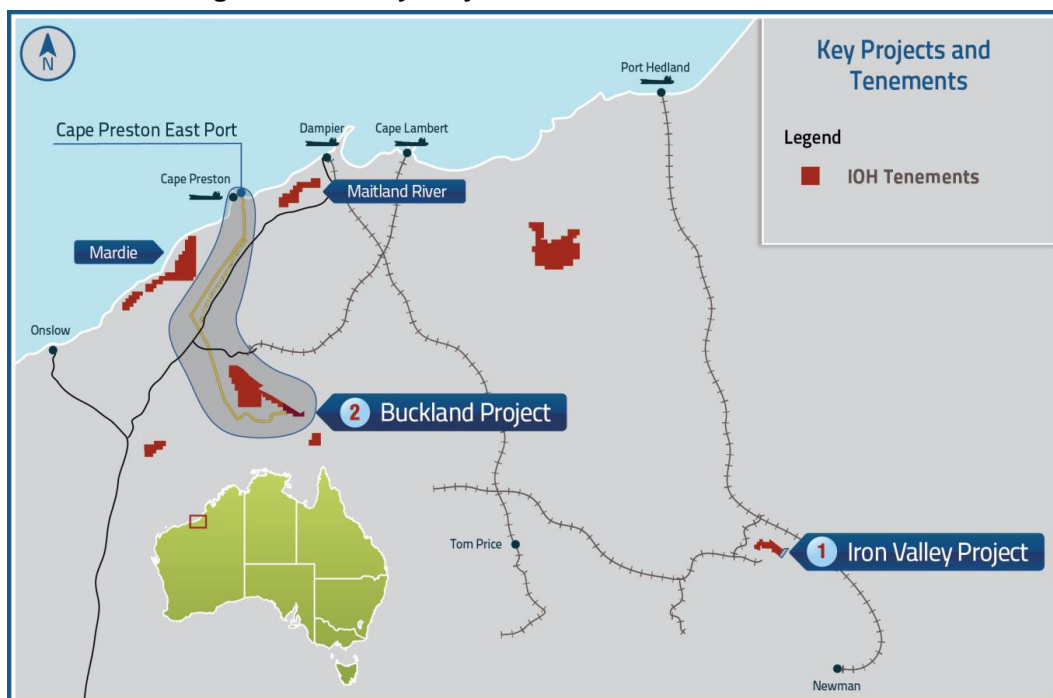
Cash

- \$61.8 million cash in bank at 31 December 2013.

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 two key projects are Iron Valley, which is located in the Central Pilbara, and Buckland, which is located in the Western Pilbara (see Figure 1).

Figure 1: IOH Key Project and Tenement Locations



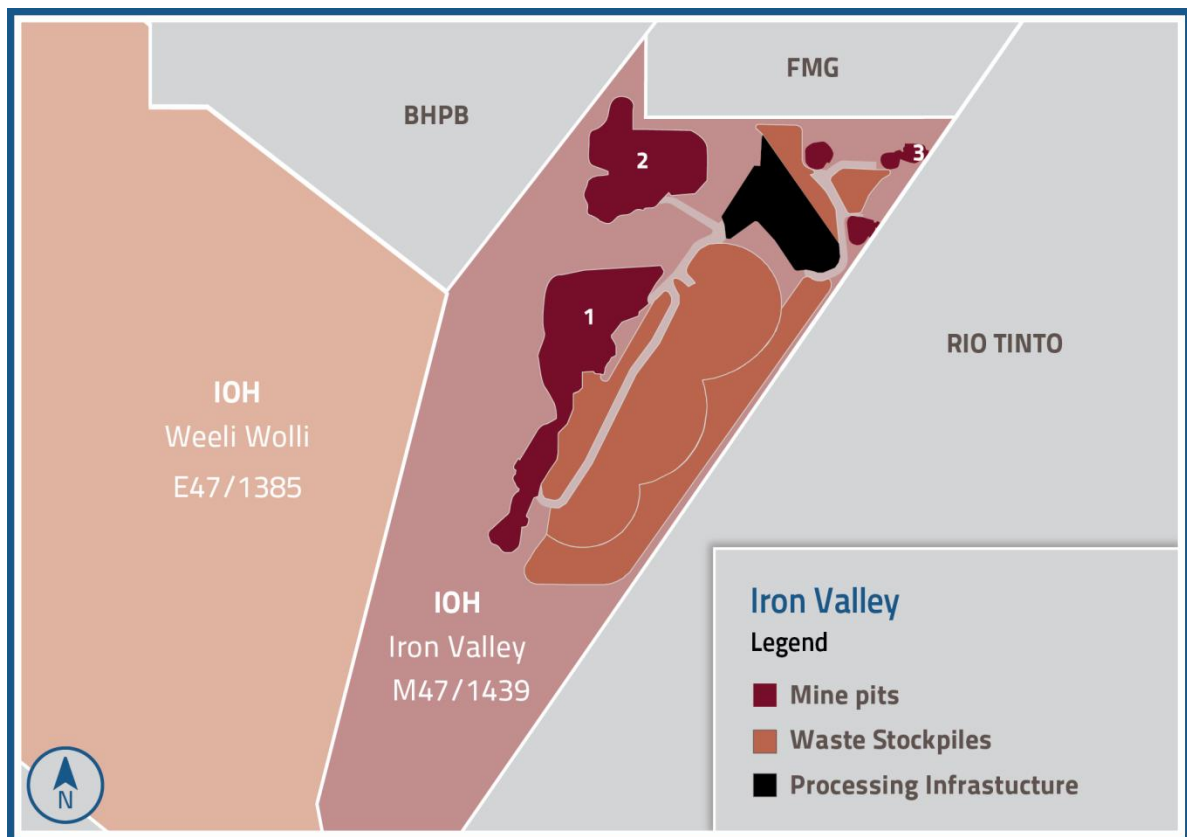
2. IRON VALLEY PROJECT

2.1. Background

Iron Valley is located in close proximity to large operating mines owned by BHPB and Rio Tinto (see Figure 2). With a Probable Ore Reserve of 134.7 million tonnes (Mt) at an average of 58.5% Fe (based on a cut-off grade of 53%) for the initial mining development, the Iron Valley Project is the most advanced of IOH's major projects.

In February 2013, IOH announced that it had executed a binding formal agreement for a mine gate sale arrangement with Mineral Resources Limited (ASX:MIN). Development is expected to commence within months resulting in IOH receiving cash inflows from the project in the current calendar year (CY2014), which will be a significant milestone in IOH's development and growth path.

Figure 2: Iron Valley Proposed Development Layout



2.2. Project Approvals

On 31 December 2013 the Minister for Aboriginal Affairs, the Hon. Peter Collier MLC, granted final consent for 100% of the mining area to be used for exploration, construction, operation and maintenance of an iron ore mine and infrastructure at Iron Valley.

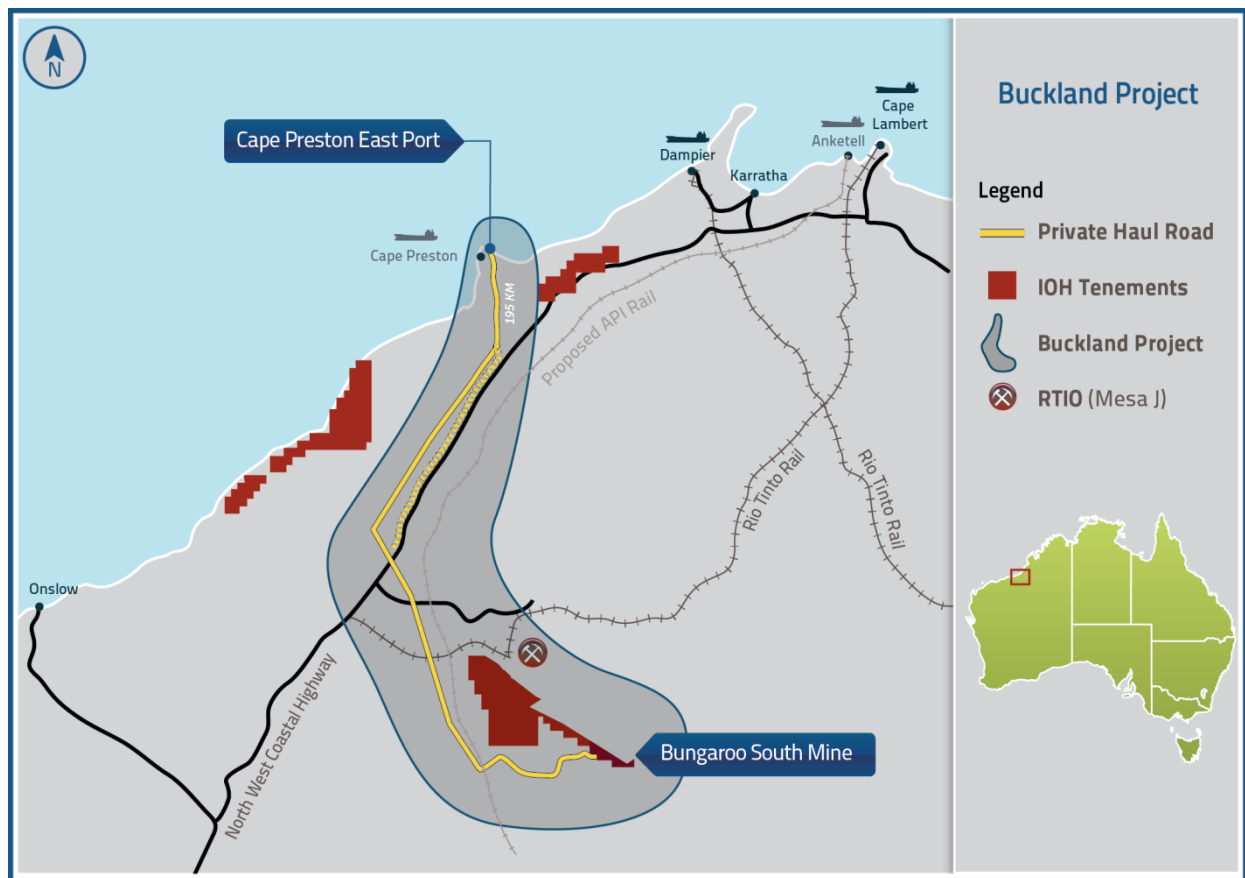
All of IOH's obligations for initial mine development have now been achieved.

3. BUCKLAND PROJECT

3.1. Background

The Buckland Project comprises of an initial mine development at Bungaroo South, supported over time by development of satellite deposits at Dragon, Rabbit, Rooster and Snake. Transport will occur via a ~195km sealed haul road leading to a new transshipping facility at Cape Preston East on the Pilbara coast (see Figure 3).

Figure 3: Buckland Project



3.2. Environmental Approvals

During the quarter, the Federal Government's Department of Sustainability, Environment, Water, Population and Conversation, under the Environmental Protection and Biodiversity Conservation Act (EPBC Act) has approved the proposed development of a mine at Bungaroo South, the haul road and its associated infrastructure.

On 11 September 2013, the Western Australian Minister for Environment, the Hon. Albert Jacob MLA, approved the Cape Preston East port facility proposal submitted to the Environmental Protection Authority.

It is anticipated that Western Australian Environmental Approval for the Bungaroo South Mine and the haul road will be received during the first quarter of CY2014.



3.3. Feasibility Study (FS)

The preparation of a FS covering all technical and engineering aspects of the project to industry standards is nearing completion. An additional infill drilling campaign during the quarter focussed on increasing the initial 92 Mt of Ore Reserves to support a minimum 15-year mine life at an 8 Mtpa production rate. Results of the program will be announced during the first quarter of CY2014.

Design specifications of key engineering packages are 90 per cent complete and are scheduled to be ready for distribution to selected service providers during the first quarter of CY2014, subject to progress on project funding solutions.

IOH and the Western Australian Government are currently finalising the drafting of the suite of Cape Preston East port lease agreements.

Road tenure solutions are progressing with a number of land access agreements already finalised or approaching conclusion, with other applications being heard by the Warden's Court.

Subject to positive progress with tenure and project approvals being secured and funding solutions advanced, the FS is scheduled for completion before mid CY2014.

3.4. Buckland Project Satellite Deposits

Following completion of drilling programs at the Dragon, Rabbit and Rooster satellite deposits, assaying and geological modelling is almost complete.

The objective of the drilling program is to increase confidence in the established Resources in these areas, which will then enable IOH to announce amendments to the mineral resource figures for these deposits.

Subject to a current pre-feasibility level review, the Satellite deposits could form part of the Buckland Project Stage 2 development, increasing overall tonnage feed into the Buckland Project infrastructure system.

3.5. Marketing Support

Discussions with steel producers in Asia, with the aim of securing market tested endorsement for the Bungaroo South ore, continued during the quarter. These positive engagements have enabled IOH to secure 13 non-binding Letters of Intent from reputable Chinese steel producers, which now cover in excess of all the planned production in the first five years (30Mt).

3.6. Commercial Structuring

IOH has continued to identify and critically assess optimum commercial structures and conduct negotiations with prospective investors in the Buckland Project.

4. CORPORATE

4.1. Cash

IOH had a cash balance of \$61.8 million at 31 December 2013.



5. MINERAL RESOURCES AND ORE RESERVES

At 31 December 2013, Mineral Resources remain unchanged from the previous quarter at 1,650 million tonnes (refer Table 1). Ore Reserves remain unchanged from the previous quarter at 227 million tonnes (refer Table 2).

Table 1: IOH Mineral Resource at 31 December 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	259.1
		50	-	42.8	57.9	61.1	7.0	3.9	0.14	5.2	
Western Pilbara	Bungaroo South	53	179.7 ^B	-	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			396.0	1,253.7	Total Resources (Indicated and Inferred)						1,649.7

^A Includes Probable Ore Reserve of 134.7 Mt (see Table 2 below). ^B Includes Probable Ore Reserve of 92.4 Mt (see Table 2 below).

Table 2: IOH Probable Ore Reserve at 31 December 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	54	-	92.4	57.6	62.4	6.3	2.5	0.2	8.1	92.4
Total Ore Reserve				227.1							227.1



6. EXPLORATION LICENCE AND MINING LEASE HOLDINGS

During the quarter, Metal Holdings Pty Ltd, a wholly owned subsidiary of IOH, was granted two exploration licences, E52/3002 and E52/3003. IOH and its subsidiaries currently hold 26 live exploration licences and mining leases in Western Australia (refer Table 3).

Table 3: Exploration Licence and Mining Lease Holdings at 31 December 2013

Number	Exploration Licence / Mining Lease	Location – Department of Mines and Petroleum Mineral Field
Exploration licence and mining leases throughout the quarter		
1	E47/1385-I	47 - West Pilbara
2	E47/2001-I	47 - West Pilbara
3	E47/2004-I	47 - West Pilbara
4	E47/1239-I	47 - West Pilbara
5	M47/1439-I	47 - West Pilbara
6	E08/1554-I	08 – Ashburton
7	E47/1538-I	47 - West Pilbara
8	E08/1899-I	08 – Ashburton
9	E08/1900-I	08 – Ashburton
10	E08/1901-I	08 – Ashburton
11	E08/2178-I	08 – Ashburton
12	E47/2350-I	47 - West Pilbara
13	M47/1464-I	47 - West Pilbara
14	E47/1537-I	47 - West Pilbara
15	E47/2372-I	47 - West Pilbara
16	E47/2676-I	47 - West Pilbara
17	E47/2677-I	47 - West Pilbara
18	E08/1849-I	08 – Ashburton
19	E08/2399-I	08 – Ashburton
20	E52/2847-I	52 – Peak Hill
21	E52/2834-I	52 – Peak Hill
22	E52/2842-I	52 – Peak Hill
23	E47/2505-I	47 - West Pilbara
24	E80/3878-I	80 - Kimberley
Exploration licence and mining leases acquired during the quarter		
25	E52/3002	52 – Peak Hill
26	E52/3003	52 – Peak Hill

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For the period ending 31 December 2013



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. At 31 December 2013 Mr Bartsch was 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 31 December 2013)

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of bedded hematite, channel iron and magnetite iron ore tenements and projects in the Pilbara region of Western Australia. The Company's key projects are 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
Ryan Stokes	Non-Executive Director
Mal Randall	Non-Executive Director
Brian O'Donnell	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
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	5.2 %
Sumisho Iron	4.3 %

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