

Resource Upgrade and Positive Metallurgical Results at Iron Valley Project

HIGHLIGHTS

- JORC compliant Mineral Resource at the Iron Valley Project increased from **240Mt*** to **259Mt** (an **8%** increase).
- The total Indicated Resource is now **216.3Mt** (83% of total Resource) and the Inferred Resource is **42.8Mt**, with an average grade over the deposit of **58.3% Fe** at a 50% Fe cut-off grade.
- Metallurgical test work completed for the bedded Brockman mineralisation at Iron Valley indicates potential to deliver approximately **37%** of production as lump ore, and for potential product upgrade by wet processing.
- This Mineral Resource increase and positive metallurgical test results will further support the mining pre-feasibility study activities currently underway.
- The total IOH Mineral Resource in the Central and Western Pilbara is now **709.1Mt**.

Results of additional drilling

Iron Ore Holdings Ltd (ASX Code: "IOH") announces the following updated information on the Company's Iron Valley Project. Iron Valley is one of IOH's largest identified bedded iron deposits. It is located within IOH's Central Pilbara Hub and is adjacent to tenements held by Rio Tinto, BHP Billiton and Fortescue Metals Group (FMG) (refer Figures 1 and 2).

An additional drilling campaign of 37 holes for 3,577 metres was completed in May 2011 followed by resource modelling. The total resource estimation at Iron Valley is now based on the results of 461 drill holes totalling 57,232m of drilling of which 5,982m was diamond core drilling. The resource is generally based on a 100m spaced gridlines, with 50m to 100m spacing between holes along the gridlines (refer Figure 2).

* Mt = Million Tonnes



Figure 1: Iron Ore Holdings – Pilbara tenement locations

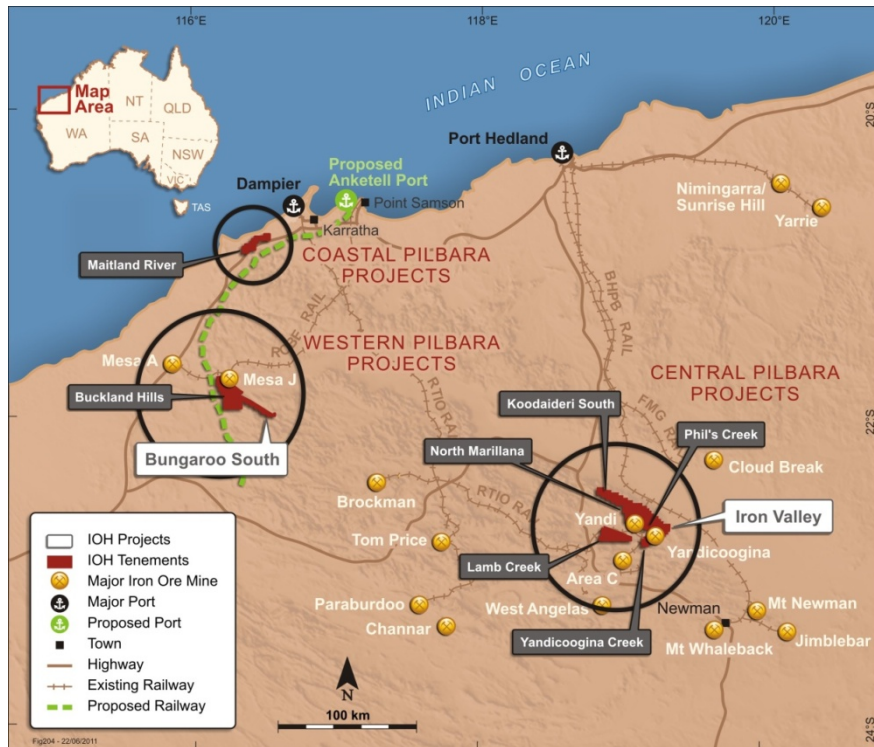
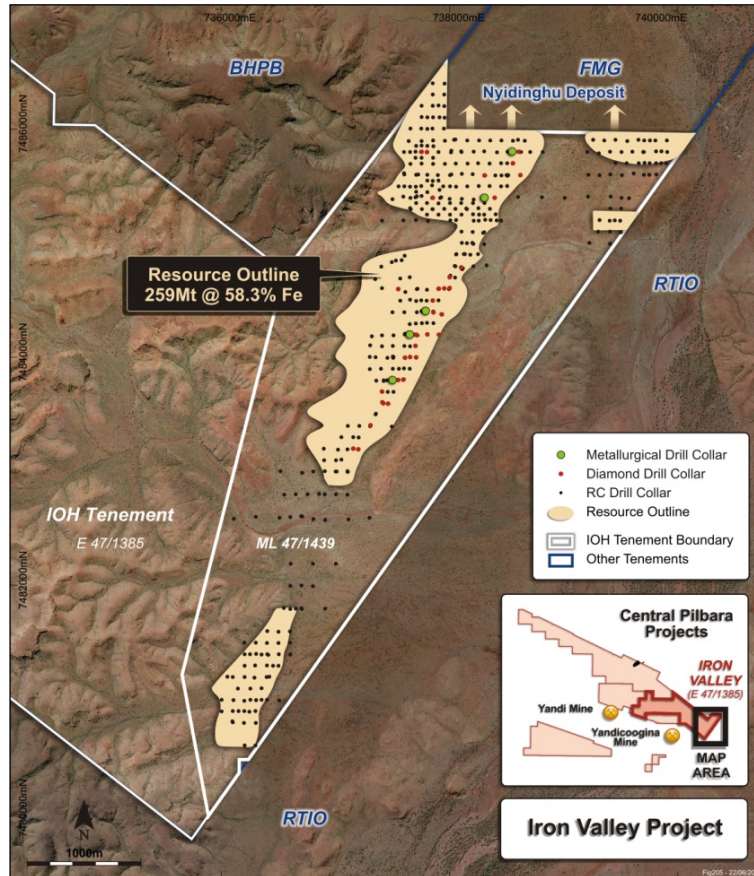


Figure 2: Iron Valley Project - Resource outline with location of drill collars



As a result of this drilling campaign, the Iron Valley deposit now has a JORC Code compliant Mineral Resource of 259 million tonnes (refer Table 1). The total Indicated and Inferred (JORC) Mineral Resource is now **259.1Mt @ 58.3% Fe**, which represents an increase of 8% from the previous estimation announced in May 2010. Total Indicated Resource has increased from 183.0Mt to 216.3Mt and is 83% of total Resources at Iron Valley (increase from 76%). The updated JORC Mineral Resource at the Iron Valley Project is summarised in Table 1.

Table 1 – JORC Mineral Resource at Iron Valley Project

Resource Classification	Tonnes	Fe	CaFe*	SiO ₂	Al ₂ O ₃	P	LOI	Cut-off
	Mt	(%)	(%)	(%)	(%)	(%)	(%)	Fe
Indicated	216.3	58.4	63.0	5.1	3.1	0.18	7.3	50%
Inferred	42.8	57.9	61.1	7.0	3.9	0.14	5.2	50%
Total	259.1	58.3	62.6	5.4	3.3	0.17	6.9	50%

CaFe* represents calcined Fe and is calculated by IOH using the formula $\text{CaFe} = \text{Fe} \% / (100 - \text{LOI} \%) * 100$.

The Company now has a Central Pilbara Hub Resource of more than **465Mt** within a 50km radius of existing rail infrastructure (refer Figure 3) and a Western Pilbara Hub Resource in excess of 240Mt close to existing and planned infrastructure (Figure 1).

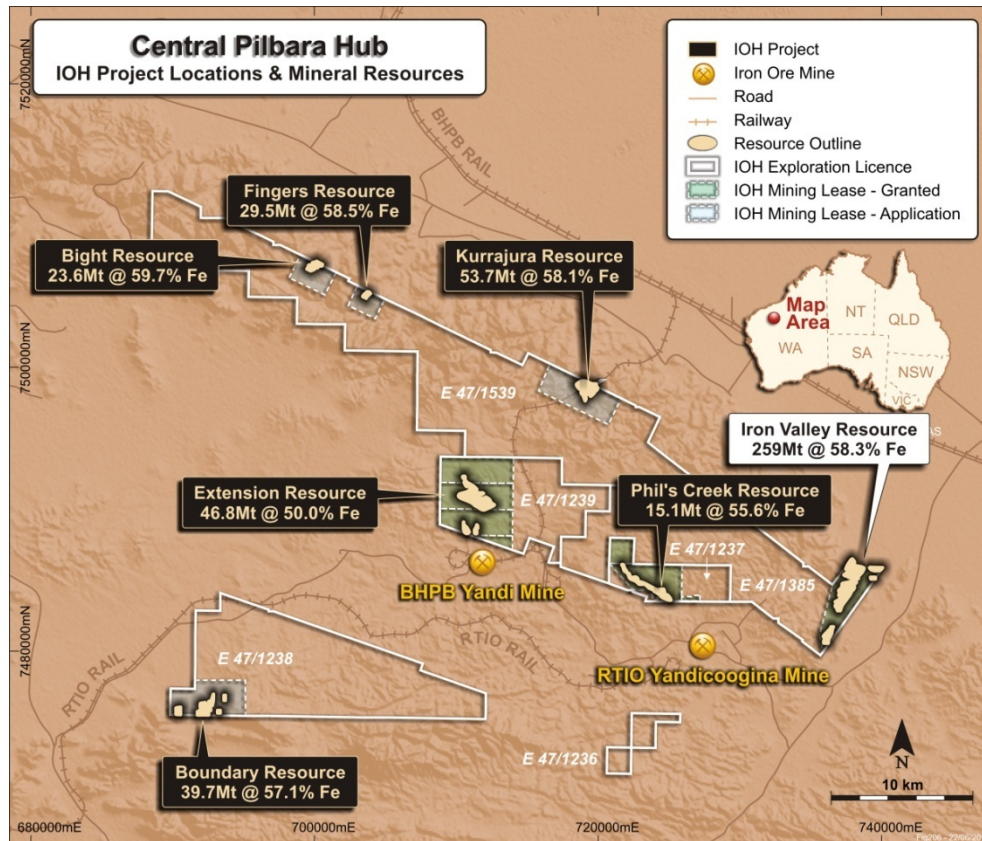
The total JORC Mineral Resource at all IOH projects has now reached **709.1Mt** (refer Table 2), with further exploration planned during 2011.

Table 2 – IOH JORC Mineral Resource within Central and Western Pilbara Hub

Project/Tenement	JORC Indicated	JORC Inferred	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	Cut-off Fe
Iron Valley	216.3Mt		58.4	63.0	5.1	3.1	0.18	7.3	50%
		42.8Mt	57.9	61.1	7.0	3.9	0.14	5.2	50%
Phil's Creek	15.1Mt		55.6	60.5	7.2	4.2	0.10	8.1	50%
North Marillana	46.8Mt		50.0	55.8	9.5	7.7	0.05	10.4	45%
Lamb Creek	15.2Mt		60.6	64.5	4.4	2.2	0.13	6.0	50%
		24.5Mt	54.9	58.6	10.3	4.0	0.09	6.3	50%
Koodaideri South		106.8Mt	58.6	63.7	5.1	2.5	0.14	7.9	50%
Buckland Hills		241.6Mt	57.2	62.2	7.0	2.4	0.15	8.1	50%
	293.4Mt	415.7Mt	Total Resource (Indicated and Inferred)						= 709.1Mt



Figure 3: IOH's projects in Central Pilbara Hub



Results of Metallurgical test program

Metallurgical testwork was completed on PQ diamond core samples from 5 drill holes (total 573.8m) which were drilled along strike of the ore body (refer Figures 2 and 3). The purpose of the metallurgical test work was to characterise the Iron Valley mineralisation and to develop a flowsheet for crushing and processing.

Figure 4: Metallurgical PQ diamond core sample tray



In-situ density, Unconfined Compressive Strength (UCS) and Crushing Work Index (CWi) were measured on the core. The testwork indicates that the project has potential to produce a ~37% lump proportion. This was determined by drop tower and mixer conditioning followed by crushing and screening to lump and fines products.

Lump and fine head assays and in-situ moisture were determined on 4m intervals. Dry size analysis of lump and fines was carried out, firstly with all samples included (refer Table 3) and secondly with low grade intervals excluded, as shown in Table 4. Product grades showed $\text{Al}_2\text{O}_3\%$ levels below 2% and superior to most Pilbara ores, $\text{SiO}_2\%$ and S% were acceptable. P values improved but remained elevated, with 0.17% for lump and 0.18% for fines.

Table 3: High Grade (Dry Product Grade - all samples)

Product Type	Fe	CaFe	SiO_2	Al_2O_3	P	LOI
	(%)	(%)	(%)	(%)	(%)	(%)
Head Grade	61.9	65.61	2.59	2.25	0.18	5.66
Lump	62.0	65.79	2.51	2.1	0.17	5.76
Fines	61.7	65.40	2.65	2.34	0.19	5.66

Table 4: High Grade (Dry Product Grade - excludes low-grade)

Product Type	Fe	CaFe	SiO_2	Al_2O_3	P	LOI
	(%)	(%)	(%)	(%)	(%)	(%)
Head Grade	62.9	66.3	2.12	1.82	0.18	5.19
Lump	63.1	66.7	2.04	1.63	0.17	5.32
Fines	62.7	66.1	2.16	1.93	0.18	5.17

Assay results for wet sizing of the Iron Valley fines composites show that the fines are superior in quality to normal Pilbara fines with the exception of P% levels. Concentration of $\text{SiO}_2\%$ and $\text{Al}_2\text{O}_3\%$ in the <20 micron fraction indicates that wet processing will improve the overall fines grade. The yield of wet screened fines deslimed at 15 microns was 85%. $\text{Al}_2\text{O}_3\%$ and P% levels were improved by removal of the slimes (refer Table 5).

Table 5: High Grade (Wet Processed Fine Product Grade)

Product Type	Fe	CaFe	SiO_2	Al_2O_3	P	LOI
	(%)	(%)	(%)	(%)	(%)	(%)
HG Fines Deslimed @ 15 microns	63.5	66.6	2.06	1.71	0.17	4.68



ON BEHALF OF THE BOARD OF DIRECTORS OF IRON ORE HOLDINGS LTD

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About Iron Ore Holdings

Iron Ore Holdings Ltd ("IOH") is an ASX listed company which owns and manages a portfolio of high-quality iron ore tenements and projects within its Central and Western 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 and highly experienced Board and senior management team.

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Competent Persons Statement:

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. Mark Strizek 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. 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.

