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OPTION TO SELL EUREKA TENEMENTS

Central Iron Ore Limited (Gullewa Limited 36.1%) announced entering into an option to sell its Eureka Tenements, 50km north of Kalgoorlie, Western Australia. The announcement that was lodged on the Toronto Stock Exchange (TSXV-CIO) is appended.

The anticipated completion of this transaction will realise \$3m cash and a further \$1m in cash or equity.

Central Iron Ore will continue to focus on iron ore in the Yilgarn and gold in the South Darlot gold project.

AW Howland-Rose

MSc, DIC, FGS, FIMMM, FAusIMM, MAICD, FAIG, CEng

Chairman

9 December, 2011

For any enquiries : AW Howland-Rose
02 9397 7555

ASX Code : GUL

ABN 30 007 547 480
Level 8
49-51 York Street
Sydney NSW 2000
Australia

Tele : +61 2 9397 7555
Fax : +61 2 9397 7575

www.gullewa.com
info@gullewa.com



ABN: 32 072 871 133

Central Iron Ore Ltd.

#1641 Lonsdale Ave, Suite 869, North Vancouver, B.C. V7M 2J5 Canada
Tel. 604.988.8186 Fax. 604.357.5353

NEWS RELEASE
December 05, 2011

Symbol: CIO-TSXV
For Immediate Dissemination

CIO AGREES AUD\$4.0 MILLION SALE OF EUREKA GOLD PROJECT

VANCOUVER, BRITISH COLUMBIA – (Marketwire – December 05, 2011), Central Iron Ore Ltd. (CIO – TSX.V) ("CIO") is pleased to announce that it has entered into an agreement for the AUD\$4 million sale of its Eureka Gold Project to Greenstone Minerals Pty Ltd ("Purchaser").

The transaction involves the Purchaser paying an AUD\$150,000 deposit and a further AUD\$3,850,000 in two tranches as follows:

Tranche 1: The Purchaser must pay CIO AUD\$2,000,000 in cash on completion of the sale and purchase.

Tranche 2: On the date that is twelve months from the date of the Purchaser's admission to the official list of the Australian Stock Exchange ("ASX"), the Purchaser must pay the following consideration to CIO:

- i. AUD\$850,000 cash; and
- ii. AUD\$1,000,000 in cash or shares in the Purchaser, at the Purchaser's election.

Completion of the sale of the Eureka Gold Project is conditional upon:

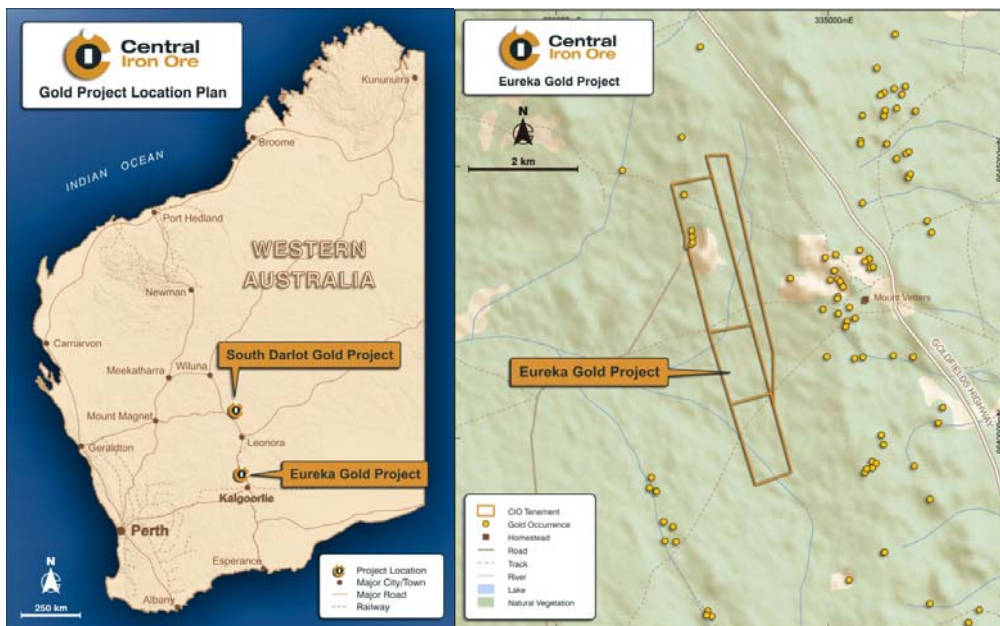
1. The Purchaser obtaining a mandate agreement from a recognised and reputable Australian stockbroker to support, on a reasonable endeavours basis, an IPO on the ASX for a capital raising of at least AUD\$10,000,000 by March 16, 2012;
2. The Purchaser being admitted to the official list of the ASX on a conditional basis by April 30, 2012; and

3. CIO obtaining any consents, approvals, authorisations or clearances which are required for the sale and purchase (including any required TSXV approvals) by April 30, 2012.

EUREKA GOLD PROJECT

The Eureka Gold Project is approximately 50km North of Kalgoorlie in Western Australia and covers an area of 563 hectares. The Eureka Gold Project includes the Eureka open pit gold mine which is 100% owned by CIO and is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance.

Project	Tenement	Status	Area (ha)
Eureka Gold	M24/189	Granted	218.15
Eureka Gold	M24/584	Granted	110.5
Eureka Gold	M24/585	Granted	104.5
Eureka Gold	M24/586	Granted	130



Mr Brett Hodgins, President and CEO, said “We are extremely pleased by the high value transaction entered into with Greenstone Minerals Pty Ltd for the sale of the Eureka Gold Project. This reinforces CIO’s strategy to create and realise value through mineral asset discovery, managing a portfolio of mineral assets, project development de-risking and commercialisation of those assets. This sale allows a focused exploration campaign on our higher priority exploration targets.”

Mr Homsany, Chairman, also added “Upon completion of the sale, expected early in the second quarter next year, the sale proceeds will be available for an enhanced exploration effort on our Yilgarn Iron Ore and South Darlot Gold Projects which we believe have potential, but which require further targeted expenditure to materialise. We are pleased with this positive outcome for CIO following our recent strategic review.”

CIO also announces that Mr Andrew Spinks has resigned as a director of CIO. Andrew will continue to serve as a technical consultant to CIO.

The board wishes to thank Andrew for his contribution to the board over the past two years.

On behalf of the Board of Directors
CENTRAL IRON ORE LTD.

"Brett Hodgins"

Brett Hodgins, President/CEO

For further information, please contact:
www.centralironorelimited.com

Investor and Media Inquiries:
Capital Street Group
1641 Lonsdale Ave, Suite 869
North Vancouver, B.C. V7M 2J5
TOLL Free IR Line: 1-888-684-1183 Direct: (604) 988-8186
Email:info@capitalstreetgroup.com

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Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, information regarding "CIO agrees AUD\$4.0 million sale of Eureka Gold Project". Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for iron ore or other minerals that may be produced generally, recent market volatility; variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties. The reader is referred to the Company's disclosure documents for a more complete discussion of such risk factors and their potential effects, copies of which may be accessed through the Company's page on SEDAR at www.sedar.com.