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ANNOUNCEMENT  
IOH

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2009

Iron Ore Holdings Ltd  
ABN 17 107 492 517

Ordinary Shares on Issue:  
117,004,948

Listed Options:  
12,728,303

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*Emerging Junior Iron Ore Producer*

## **New Results for IOH**

- **Major New Discovery at Buckland Hills,**
- **20% Resource Upgrade at Iron Valley, and**
- **Strengthened relationship with Rio Tinto**

Iron Ore Holdings (ASX: IOH) is pleased to announce a number of significant and exciting developments for the Company.

- At its **Buckland Hills Project** in the West Pilbara region of Western Australia the Company **has discovered high-grade iron ore mineralisation from its first drill campaign** which comprised 41 holes for a total of 1,390 metres. The mineralisation has been identified over a length of 1,200m and is up to 500m wide with a zone of high-grade channel ore mineralisation with intersected thicknesses of up to **58m**.
- At **Iron Valley** the Company is pleased to **announce a 20% increase in its JORC resource estimate to 191Mt at 59% Fe**.
- On the back of this increase in resource the Company is pleased to announce that it has agreed with Rio Tinto to enter into an **exclusive negotiating agreement** for a period of 6 months, which may result in the Company divesting all or part of the Iron Valley deposit to Rio Tinto.
- **The Company advises that it has reached agreement with Rio Tinto** on the key commercial terms of an ore sales agreement for the **Phil's Creek Project**. Mining is expected to commence in late 2010.

Managing Director Mr Matt Rimes said "The combination of the Iron Valley upgrade and the Buckland Hills discovery highlighted the outstanding success of the Company's exploration program. This exploration success and the conclusion of negotiations with RioTinto on the Phil's Creek Project provide the basis for the creation of significant shareholder value."

The Company's total JORC resource inventory now stands at 253Mt (173.6Mt Indicated and 79.8Mt Inferred).

Details of each of these exciting developments follows:

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

**Matt Rimes**  
**Managing Director**





## NEW HIGH-GRADE IRON ORE DISCOVERY AT BUCKLAND HILLS PROJECT

This first drill campaign within IOH's West Pilbara Project has resulted in **immediate and significant success**. The program comprised **41 holes** for a total of **1,390m** which targeted two areas (Fig 1).

- The assay results confirm the discovery of a zone of **high-grade channel iron mineralisation** with intersected thicknesses of up to **58m** at the 100%-owned Buckland Hills Project. This mineralisation has been identified over a length of 1,200m and is up to 500m wide (Figure 2).

**Highlights** of significant results include:

Hole	Intersection Width (m)	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%	From (m)
BH025	26	60.4	4.79	2.00	0.14	6.21	42
BH026	34	61.3	3.81	2.33	0.11	5.78	24
BH027	58	61.3	3.71	2.42	0.11	5.60	38
BH028	20	60.5	3.04	2.84	0.11	6.91	0
<i>and</i>	46	60.7	4.33	3.00	0.15	5.18	26
BH030	34	58.3	4.52	2.87	0.15	8.53	32
BH034	20	59.1	5.38	2.12	0.14	7.45	0
BH037	26	57.8	6.42	2.34	0.15	7.81	2
BH038	22	56.8	6.12	2.87	0.21	9.04	28

**Table 1 - Significant Results RC Drilling**

A full listing of significant results is given in Table 2.

Managing Director, Matt Rimes stated that "The Company is excited by yet another success with its exploration program. The second new discovery in a year puts IOH in an enviable position as an explorer and emerging future producer of iron ore.

Mr Rimes also advised that "geological interpretation is underway, and an initial resource estimate is anticipated to be announced in the first quarter of 2010." The discovery provides an additional opportunity for the Company to expand its current resource inventory of JORC compliant DSO (Direct Shipping Ore) quality iron ore resources in the Pilbara region.

Buckland Hills is located within close proximity to established infrastructure and is directly adjacent to Mesa J which is a Rio Tinto operated mine. Pannawonica is within 55km (via existing roads) of both target areas.

Drill spacing at Target 2 was 400m x 100m, with significant mineralisation identified on all three drill traverses at the main CID mesa. The identified channel iron mineralisation is located **within 40km** of Robe River Iron Associates **Mesa J mining operations** and associated rail infrastructure.

A follow up infill drill campaign is currently being planned, aimed at testing continuity and extensions of newly discovered mineralisation at Target 2.



Drill testing of additional targets, primarily the southern area of Target 1 and other sites in the immediate vicinity is planned. In conjunction with this work further geological mapping and heritage surveys will be completed.

During 2010 IOH intends to prioritise exploration of the Buckland Hills tenements as a result of the early identification of channel iron mineralisation in one area of this tenement.

The Company is currently planning its field campaign for 2010 which will comprise further drilling of the already identified area of mineralisation in addition to reconnaissance drilling of the remaining tenement areas.

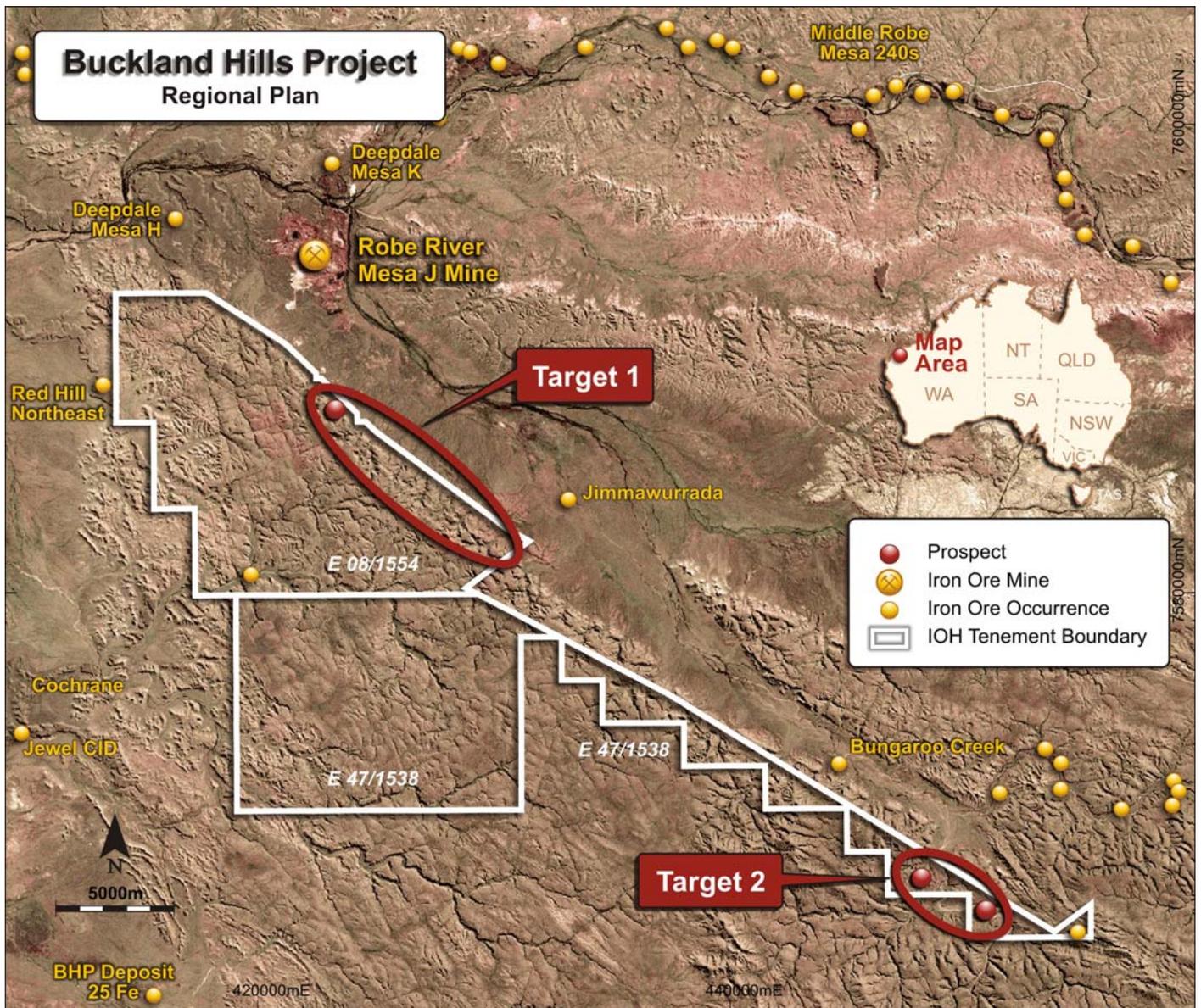


Figure 1: Buckland Hills Project Regional Location

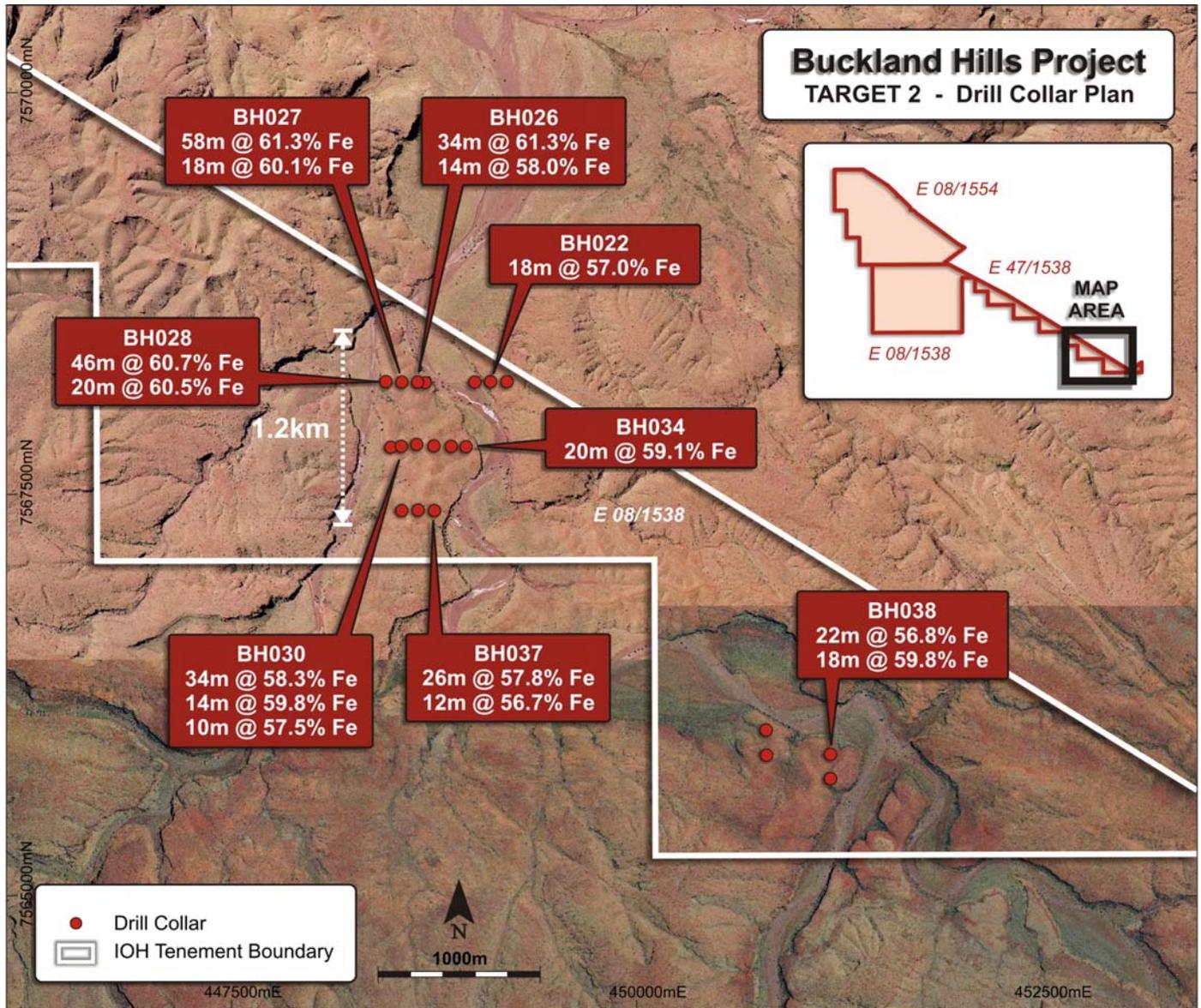


Figure 2: Buckland Hills Target 2 Prospect Drill Collar plan



Hole ID	East	North	From (m)	To (m)	Width (m)	Fe %	SiO2 %	Al2O3 %	P %	LOI %
BH002	422871	7588527	16	30	14	58.62	4.75	4.96	0.06	5.09
BH010	423523	7588056	10	16	6	56.33	8.37	4	0.03	6.33
BH022	449100	7568202	4	22	18	57.03	8.6	2.08	0.13	7.1
and			26	28	2	56.96	6.82	2.29	0.18	8.65
BH023	449199	7568201	10	16	6	63.41	2.54	1.72	0.09	3.52
BH024	449001	7568200	32	42	10	56.61	8.02	2.49	0.14	8
BH025	448697	7568197	2	18	16	58.02	5.5	2.98	0.14	7.8
and			42	68	26	60.36	4.79	2	0.14	6.21
BH026	448649	7568199	2	16	14	57.97	5.8	2.61	0.12	7.68
and			18	20	2	57.8	6.34	3.15	0.08	7.55
and			24	58	34	61.25	3.81	2.33	0.11	5.78
and			62	64*	2	56.94	7.63	3.15	0.13	7.32
BH027	448551	7568199	12	30	18	60.13	3.33	2.75	0.13	7.28
and			38	96	58	61.34	3.71	2.42	0.11	5.6
BH028	448454	7568201	0	20	20	60.49	3.04	2.84	0.11	6.91
and			26	72	46	60.72	4.33	3	0.15	5.18
and			76	78*	2	55.93	9.88	3.91	0.15	5.43
BH029	448482	7567794	10	12	2	57.03	8.11	3.55	0.18	5.8
BH030	448549	7567800	18	28	10	57.45	4.06	3.08	0.15	10.23
and			32	66	34	58.3	4.52	2.87	0.15	8.53
and			70	84*	14	59.75	5.12	2.12	0.15	6.63
BH031	448644	7567811	8	10	2	55.34	8.05	2.7	0.21	9.26
BH032	448750	7567801	12	18	6	58.46	6.08	2.49	0.15	7.23
BH033	448856	7567799	18	28	10	58.36	6.44	2.6	0.14	6.96
and			46	58	12	55.88	7.36	3.12	0.13	9.12
BH034	448949	7567795	0	20	20	59.13	5.38	2.12	0.14	7.45
BH037	448753	7567399	2	28	26	57.77	6.42	2.34	0.15	7.81
and			36	48	12	56.7	8.07	2.24	0.14	7.98
BH038	451198	7565880	2	20	18	59.79	5.23	1.97	0.16	6.68
and			28	50	22	56.77	6.12	2.87	0.21	9.04
and			52	54	2	55.15	7.03	3.31	0.19	10.2
BH039	451199	7565729	4	20	16	57.88	7.91	2.2	0.15	6.56
BH040	450800	7566031	10	24	14	59.65	5.59	1.97	0.12	6.57
BH041	450805	7565875	6	18	12	58.71	6.03	2.45	0.15	7.02

**Table 2: Drilling Results Buckland Hills**

*Note: All reverse circulation holes inclined at -90°, coordinates GDA94 MGA Zone 50. Two metre composite samples taken, either cone split or gra samples. Intercepts calculated based on 55% Fe lower cut, no upper cut and 2m max internal dilution. Analysis via SRF technique by Ultra Trace Pty Ltd, Perth.*



## RESOURCES AT IRON VALLEY INCREASE TO 191 MILLION TONNES AND RIO TINTO GRANTED 6 MONTH EXCLUSIVITY

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IOH today also announces a significant increase in resources at its Iron Valley deposit in the Central Pilbara region of Western Australia, highlighting the growing strategic importance of the Project in the rapidly changing industry.

The JORC-compliant resource estimate at Iron Valley has been increased by about 20 per cent to 191 million tonnes grading 59% Fe. This includes a high-grade DSO component of 120 million tonnes at 61% Fe.

Subsequent to today's announcement of yet another resource upgrade on the Iron Valley deposit, Mr Rimes also announced that "In another major step forward for the company, IOH has agreed to enter into an exclusive six month negotiating period with RioTinto, in relation to the company's significant Iron Valley deposit. During this period, the parties will seek to reach agreement for RTIO to acquire all or part of the mining lease on which Iron Valley is located."

The IOH Board has endorsed entry into this negotiating period, which could potentially deliver significant value to IOH shareholders in 2010.

Formal documentation for the exclusive negotiating period is scheduled to be agreed next month.

**191 Million Tonnes @ 59.1 % Fe**

**4.5% SiO<sub>2</sub>, 2.9 % Al<sub>2</sub>O<sub>3</sub>, 0.18% P and 7.0% LOI**

includes a high-grade DSO component of 120 Million Tonnes @ 61.0% Fe, 3.3% SiO<sub>2</sub>, 2.4 % Al<sub>2</sub>O<sub>3</sub>, 0.18% P and 6.3% LOI

*(JORC Indicated and Inferred)*

- **Fourth Resource increase since initial discovery in 2008**
- **Further JORC upgrade takes Iron Valley Resource to 191Mt Indicated and Inferred (another 20% since last announced upgrade)**
- **Further drilling commenced on Monday 23 November**
- **Full depth extent of the deposit yet to be evaluated**
- **Exploration campaign continues on other targeted IOH projects to further add to the Company's resources**

This resource upgrade stems from additional drilling outside the previously modelled resource envelope. The resource has now grown from an initial 88Mt since November 2008 when the first estimate was announced.

Further drilling has commenced and will be completed before the break for the wet season in December. It will resume in 2010, when the focus will be on continuing to increase resources in conjunction with the scoping/feasibility studies that are planned.

IOH Managing Director Matt Rimes said the combination of the Iron Valley upgrade and the Buckland Hills discovery highlighted the outstanding success of the Company's exploration program.

"This places Iron Ore Holdings in a strong position in the central Pilbara, with one of the most significant DSO deposits held by an emerging junior iron ore company in the region" Mr Rimes said.

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Resource Classification	Mt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	111.7	59.9	3.9	2.7	0.19	6.8
Inferred	79.8	58.0	5.3	3.3	0.17	7.3
<b>Total</b>	<b>191.5</b>	<b>59.1</b>	<b>4.5</b>	<b>2.9</b>	<b>0.18</b>	<b>7.0</b>

Table 3: Resource at 50% Fe lower cut\*

Resource Classification	Mt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	82.2	61.4	3.0	2.3	0.18	6.2
Inferred	38.1	60.3	3.8	2.6	0.17	6.5
<b>Total</b>	<b>120.3</b>	<b>61.0</b>	<b>3.3</b>	<b>2.4</b>	<b>0.18</b>	<b>6.3</b>

Table 4: Resource at 58 % Fe Lower Cut\*

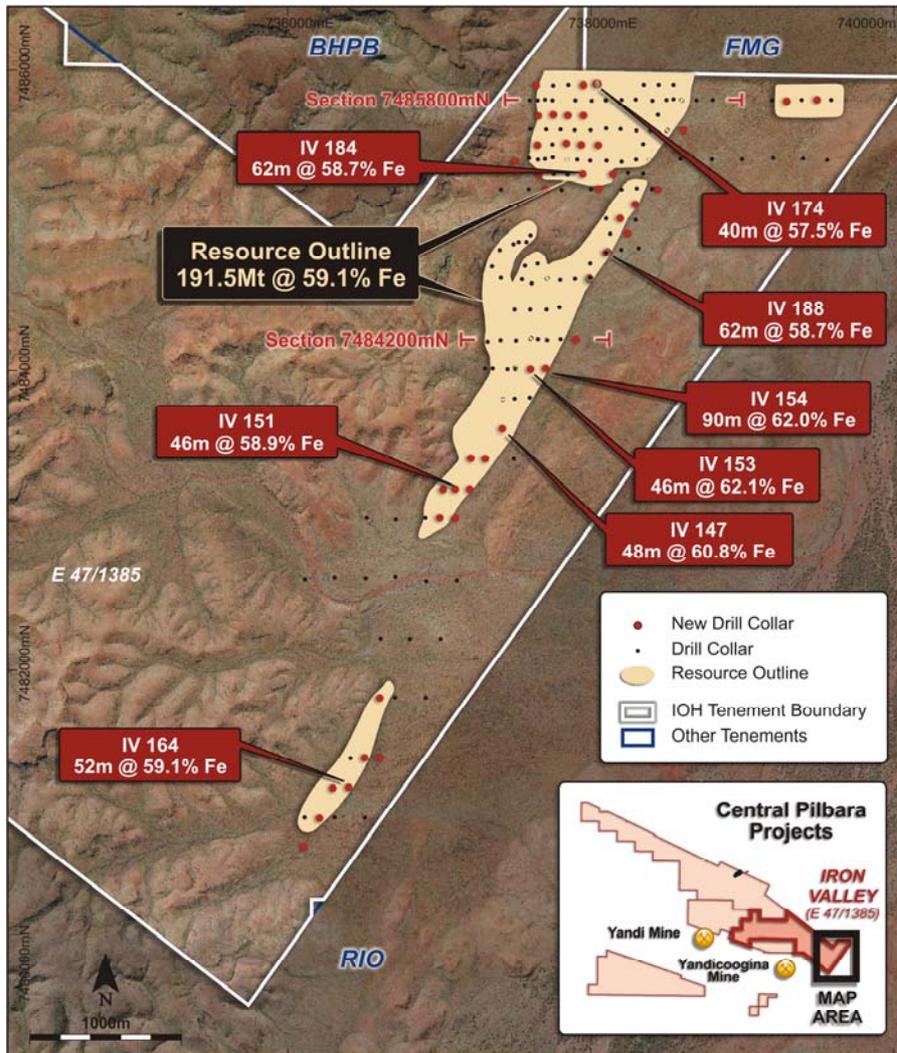


Figure 3: Iron Valley Resource Model



## IOH CONFIRMS PHIL'S CREEK MINE TO PROCEED

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Further to previous announcements on the Phil's Creek deposit, Iron Ore Holdings (IOH) announces today that it has reached agreement with Rio Tinto Iron Ore on the key commercial terms of a formal ore sales agreement for the Phil's Creek Project. The Company is well advanced in its planning for the Phil's Creek mine and mining is expected to commence in late 2010. The operation will supply up to 1.5Mtpa of iron ore to Rio Tinto under a mine gate sale arrangement.

Managing Director of IOH, Matt Rimes, said: "We are very pleased to have successfully concluded our intensive negotiations with Rio Tinto on the Phil's Creek Project. Both parties have worked for many months on the details of this project, with a great deal of goodwill. Together with Rio, we are delighted to be able to confirm that this pioneering relationship between a "major" and a "junior" has moved to the next stage."

IOH expects to appoint a contractor to conduct mining operations in the first quarter of 2010.

The Board of IOH confirmed that, based on current assumptions, the net present value of the Phil's Creek project to IOH remains robust.

IOH will review options for funding capital costs for the mine, and will provide further announcements when funding decisions have been made.

Formal documentation for the mine gate sale is scheduled to be agreed next month.

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The Iron Valley Resource Model has been constructed using Ordinary Kriging within geological constrained domains. Drill spacing is 100m by 50m to 400m by 200m. Densities of 2.8 have been used for high-grade material and canga, 2.75 for semi-hardcap material, and 2.7 for the detrital material. The material within the resource is classified as both Indicated and Inferred.

The Mineral Resource estimate was based on data collated and interpreted by IOH staff and prepared and estimated by independent geological consultants, Lynn Widenbar & Associates. The resource was estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004).

The resource estimate was based on the information from 193 drill holes drilled at Iron Valley during 2008 and 2009 (see Figure 1). Seven holes were reverse circulation (RC) with diamond core tails, three were diamond core from surface and the remainder of the holes were RC. One or two metre composite samples were submitted to Ultratrace Laboratories in Perth for XRF analysis. The majority of the RC samples were cone split while the remaining wet samples were riffle split once dry.

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.

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