

6 March 2012

Completion of Phil's Creek Sale to Mineral Resources Ltd (MRL)

Highlights

- All conditions precedent for the sale of tenements to MRL announced in October 2011 have now been completed.
- \$21 million has been received from MRL for the Phil's Creek tenements.
- A further \$21 million payment for the Lamb Creek and Yandicoogina Creek tenements will follow within the next 30 days.
- Two of the three recently announced IOH transactions have now been successfully completed.
- IOH's current cash position of ~\$100 million will increase to ~\$120 million once the final payment has been made by MRL.

Iron Ore Holdings Limited (**IOH**) is pleased to announce that all conditions have been met for the completion of the sale of its Phil's Creek, Lamb Creek and Yandicoogina Creek satellite tenements in the Central Pilbara region of Western Australia, to Mineral Resources Limited (ASX: MIN) (**MRL**).

When the \$42 million cash transaction was originally announced on 13 October 2011, MRL paid a \$5 million deposit with the remaining \$37 million payable in two stages following the Phil's Creek Mining Proposal being approved by the Department of Mines and Petroleum (DMP).

The approval for the Phil's Creek Mining Proposal was given on 29 February 2012, and IOH has received the outstanding \$16 million payment from MRL for the transfer of the Phil's Creek tenements. The remaining payment of \$21 million for the Lamb Creek and Yandicoogina Creek tenements is due in 30 days, with no conditions outstanding.

Managing Director, Alwyn Vorster, acknowledged the considerable amount of work that has been jointly undertaken by IOH and MRL to finalise all the technical and approval matters required for completion.

"The approval of the Phil's Creek Mining Proposal was the last component in a process that has unlocked the value of these tenements for both companies and IOH wishes MRL well in the development of the tenements," he said.

"Proceeds from this transaction with MRL will result in IOH's cash position approaching \$120 million, which is more than 40 per cent of our current market capitalisation.

"IOH's development focus will now shift to the West Pilbara, where our flagship deposit Bungaroo South, containing 240Mt of JORC Resource, is moving into a prefeasibility study stage and where our two magnetite deposits are being further explored. We also have a number of interesting new business opportunities on the horizon," Mr Vorster said.

ENDS

Corporate Profile (as at 6 March 2012)

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of hematite 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: 163,723,899

Share Price: \$1.62

Cash: \$101 million

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 Business Development
Manohar Ghorpade	Chief Geologist

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Share Registry:

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Major Shareholders:

Wroxby Pty Ltd	51.9 per cent
Sumisho Iron	4.3 per cent