

**ASX
ANNOUNCEMENT
IOH**

12 February 2010

Iron Ore Holdings Ltd
ABN 17 107 492 517

Ordinary Shares on Issue:
119,206,414
Listed Options:
12,726,837

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regarding Iron Ore
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Emerging Junior Iron Ore Producer

Update on Project Developments

Iron Ore Holdings Limited (ASX: IOH) is pleased to provide the market with an update on its current activities.

Drilling re-commences at Iron Valley

Drilling at Iron Valley has re-commenced with the Company aggressively drilling the deposit with the aim of extending the resource base. A drilling campaign totalling 11,000 metres is planned over the next six months incorporating two Diamond and two RC drill rigs simultaneously operating at the project.

Phil's Creek Development

On 17 December 2009 the Company announced that it had signed an Iron Ore Sales Agreement with Hamersley Iron Pty Ltd (a 100%-owned subsidiary of Rio Tinto), for ore produced at the Phil's Creek Project. A mine gate sale agreement such as this represents an innovative approach to solving the infrastructure accessibility issues that face many of the Pilbara iron ore hopefuls.

The Company intends to release tenders to potential mining contractors within the first quarter of 2010. A final decision on the appointment of a contractor is anticipated to be made during the second quarter. Production is expected to commence prior to the end of the year.

Relationship Agreement with Rio Tinto

A Relationship Agreement was also entered into with Hamersley Iron on 17 December. Under this Agreement, the parties will endeavour to negotiate the possible purchase of all or part of IOH's 100% owned Iron Valley Project. IOH has granted to Hamersley Iron a 6 month exclusivity period for agreement to be reached.

IOH is pleased to advise that the process has begun with a framework established under which negotiations can take place.

Each party has independently appointed an international accounting firm to assist with the acquisition process for the Iron Valley Project. The parties will then commence negotiations for an acquisition agreement. These firms have each appointed a technical expert to assist them with the process.

In order to assist these firms and their technical advisors, an extensive data room has been established. The data room contains all information on all aspects of Iron Valley available to the Company. This includes information relating to geological mapping; drilling and assay results; and the results of a preliminary scoping study in which the Company has modelled numerous alternative development options for the Project.



The study has examined a wide range of options for bringing iron ore produced at Iron Valley to market. These options are based on various assumptions including the availability of infrastructure through existing producers in the area. The study shows the Iron Valley Project should be financially robust under wide ranging pricing and infrastructure assumptions.

The data room will be updated on a progressive basis as further information becomes available from the drilling program currently underway. Upon review of the information, Iron Ore Holdings and Hamersley Iron will undertake negotiations towards reaching a conclusive Acquisition Agreement. Neither party is bound to enter into an Acquisition Agreement if commercial terms for the acquisition of all or part of the Iron Valley resource cannot be agreed. Should the Project not be sold as a result of this process, Iron Ore Holdings will follow alternate strategies for the commercialisation of the Iron Valley Resource.

About Iron Ore Holdings

Iron Ore Holdings Limited is an emerging Western Australian iron ore producer focused on the exploration and development of a portfolio of high-quality iron ore projects within its tenements located in the Central and Western Pilbara regions of Western Australia. The Company's Projects are all located within close proximity to existing infrastructure.

The Company's total JORC compliant Mineral Resources has now reached **328Mt** (table 1). Results from successful drilling programs undertaken in 2009 continue to be analysed for a proposed update of the Iron Valley Mineral Resource, and for another expected JORC Resource at Koodaideri South in the Central Pilbara.

Project	JORC Indicated	JORC Inferred	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Cut-off Fe
Iron Valley	111.7Mt		59.9	3.9	2.7	0.19	6.8	
		79.8Mt	58.0	5.3	3.3	0.17	7.3	50%
Phil's Creek	15.1Mt		55.6	7.2	4.2	0.10	8.1	50%
Extension	46.8Mt		50.0	9.5	7.7	0.05	10.4	45%
Buckland Hills		47.9Mt	58.1	6.4	2.6	0.145	7.3	50%
Boundary Prospect		26.7Mt	58.4	6.4	2.9	0.11	6.5	50%
	173.6Mt	154.4Mt	Total Resource (Indicated and Inferred)			=	328Mt	

Table 1 – Complete IOH JORC Mineral Resource

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

Matt Rimes
Managing Director

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 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.