

IOH Announces Share Buy-Back

- **IOH announces an on-market Share Buy-Back of up to \$10 million**
- **The Board has concluded that IOH's current share price does not reflect the fair value of its assets**
- **A potential \$100 million cash balance by Q1 2012 will allow IOH to undertake a Buy-Back without compromising growth opportunities**

Iron Ore Holdings Ltd ("**IOH**") today announces its intention to repurchase up to 10% of its ordinary shares through an on-market share buy-back process (the "Buy-Back").

After reviewing the Company's financial position, business plans and current share trading history, the Board approved for the Company to undertake a capital management initiative in the form of the Buy-Back.

IOH recently executed two transactions for the sale of its non-core Central Satellite deposits with both transactions delivering a value of approximately \$1.30 per Fe tonne¹, which represents a significant value differential to the current market valuation of IOH's resources of only \$0.30 per Fe tonne².

The Company currently has approximately \$70 million cash on hand with no debt, with another \$42 million cash to be received at the completion of the Mineral Resources Ltd transaction in Q1 2012. The Board believes that the Buy-Back can be undertaken without impacting the Company's development of its current assets, its pursuit of growth opportunities and without compromising its capital or liquidity position.

The number of share purchases actually made by the Company will depend on the Board's assessment of value relative to share price at times when shares may be available for re-purchase. IOH is not obliged to re-purchase any shares under the Buy Back.

IOH has appointed Foster Stockbroking to undertake the first \$5 million tranche of the Buy-Back. All shares acquired will be cancelled.

¹ Based on the satellite orebody tenements transactions announced to the market in October 2011 with assumptions contained in those announcements.

² Based on current market capitalisation of \$200M, cash balance of \$70M and contained Fe tonnes of 463Mt.

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About Iron Ore Holdings

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of 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 mines and infrastructure. IOH has a stable share register and a highly experienced Board and senior management team.

Ordinary Shares on Issue: 166,087,005

Cash at 30 November 2011: \$70.5 million