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NEWS RELEASE
January 4, 2011

Symbol: CIO-TSXV
For Immediate Dissemination

PART CLOSING OF TRANCHE 2 - \$402,000

VANCOUVER, BRITISH COLUMBIA – (Marketwire – January 4, 2011), Central Iron Ore Ltd. (CIO – TSX.V) (the “Company”) is pleased to announce that it has partly closed Tranche 2 of its previously announced Capital Raising of \$1.76 million for gross proceeds of \$402,000. The Company has now received \$664,500 for the issue of:

- 2.5 million shares with 2.5 million attached warrants exercisable at 10 cents up to 36 months from the issue to and Golden Sword Investments Pty Ltd. (“GSI”)
- 9.2 million shares with 3.84 million attached warrants exercisable at 10 cents up to 36 months from the issue to Brooklyn Bay Pty Ltd. (“Brooklyn”)

Proceeds from the issuance of the securities will be used for repayment of liabilities, for general and administrative expenses and to provide the Company with a working capital reserve. The securities issued in Tranche 1 and 2 are subject to a four month hold period.

The remainder of Tranche 2 will close following TSX.V approval consisting of the issue of 18.3 million shares at 6 cents per share for \$1.1 million as follows:

1. Brooklyn – 15.8 million shares
2. GSI – 2.5 million shares

Each share to be issued under Tranche 2 has an attached one-fifth of one warrant, each whole warrant exercisable at 10 cents up to 36 months from the issue date.

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

“Andrew Spinks”

Andrew Spinks, President/CEO

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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 Tranche 2. 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.