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Central Iron Ore Ltd.

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NEWS RELEASE
October 27, 2010

Symbol: CIO-TSXV
For Immediate Dissemination

**TRANCHE 1 CLOSING - \$262,500
AND APPOINTMENT OF DIRECTORS**

VANCOUVER, BRITISH COLUMBIA – (Marketwire – October 27, 2010), Central Iron Ore Ltd. (CIO – TSX.V) (the “Company”) is pleased to announce that it has closed Tranche 1 of its previously announced Capital Raising of \$1.76 million for gross proceeds of \$262,500. Pursuant to agreements entered into between the Company and each of Brooklyn Bay Pty Ltd. (“Brooklyn”) and Golden Sword Investments Pty Ltd. (“GSI”), the Company issued 5 million shares at 5.25 cents per share equally to Brooklyn and GSI each with an attached warrant exercisable at 10 cents up to 36 months from the issue.

The Company is also pleased to announce the appointment of Brett James Hodgins and Richard Homsany to the Board of Directors, nominees of GSI and Brooklyn, respectively. The appointment of Mr. Hodgins and Mr. Homsany to the Board is subject to re-election at the Annual General Meeting and TSX.V approval.

Proceeds from the issuance of the securities from Tranche 1 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 are subject to a four month hold period expiring on February 27, 2011.

Tranche 2 of the capital raising for gross proceeds of \$1.5 million to the Company will consist of 25 million shares at 6 cents per share as follows:

1. Brooklyn – 22.5 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. Tranche 2 is subject to Brooklyn and GSI conducting satisfactory due diligence by October 29, 2010 and the Company obtaining TSX.V and shareholder approval.

Information about incoming directors:

Mr. Brett Hodgins

Mr. Brett Hodgins has 15 years of professional experience in the resources sector primarily focused on iron ore mining operations. He began his career as a geologist with Robe River Mining and Rio Tinto Iron Ore. During that time he was involved with the commissioning and development of the West Angleas and Hope Downs operations. Mr Hodgins' recent experience includes General Manager Project Development for Iron Ore Holdings. He brings a wide range of experience in operations and feasibility studies and has a broad knowledge of the iron ore sector.

Mr. Richard Homsany

Mr. Homsany is an experienced corporate lawyer with significant experience in the resources and energy sector.

Mr. Homsany has extensive experience in corporate law, including advising public resources and energy companies on corporate governance, finance, capital raisings, takeovers, mergers, acquisitions, joint ventures and divestments.

Mr. Homsany also has significant board and experience with publicly listed resource companies including as chairman. He has also worked for an ASX top 50-listed internationally diversified resources company in operations, risk management and corporate matters.

Mr. Homsany has completed the Certified Practising Accountant program and is a fellow of the Financial Services Institute of Australasia (FINSIA). He has a Commerce Degree and Honours Degree in Law from the University of Western Australia and a Graduate Diploma in Finance and Investment from FINSIA.

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.