Iron Road limited

prospectus | 2008

Findlay & Co
STOCKBROKERS LTD

Sponsoring Broker to the Issue
For the issue of 25,000,000 ordinary
Shares of 20 cents each

This is an important document which
should be read in its entirety.

You may wish to consult your
professional adviser about the contents
of this prospectus. An investment in
shares offered by this prospectus should
be considered as speculative.

CORPORATE DIRECTORY

Directors

John McKee	Chairman
Andrew J Stocks	Managing Director
Matthew J Keegan	Non-Exec Director

Company Secretary

Graham D Anderson

Registered Office

Suite 2, 35-37 Havelock Street
WEST PERTH 6005
Western Australia

Telephone: (08) 9322 2700
Facsimile: (08) 9322 7211

Postal Address

PO Box 2806
West PERTH 6872
Western Australia

ASX Code	IRD
Website	www.ironroadlimited.com.au
Email	admin@ironroadlimited.com.au
ABN	51 128 698 108

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS 6153
Western Australia

Telephone: (08) 9315 0933
Facsimile: (08) 9315 2233

Solicitors to the Company

Lawton Gillon
Level 11, 16 St Georges Terrace
PERTH 6000
Western Australia

Investigating Accountants

BDO Kendalls Corporate Finance (WA) Pty Ltd
256 St Georges Terrace
PERTH 6000
Western Australia

Auditor

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO 6008
Western Australia

Independent Geologist

Malcolm Castle
Agricola Mining Consultants Pty Ltd
PO Box 473
SOUTH PERTH 6951
Western Australia

Independent Market Review

Metalytics Pty Ltd
Level 9, 280 George Street
SYDNEY 2000
New South Wales

Iron Road Limited – Delivering Iron Ore Opportunities

INVESTMENT HIGHLIGHTS

Iron Road Limited
Based in Australia, the Company has been established to explore for and develop iron ore opportunities in Australia and beyond.

South Australia
Warramboo is known for its superior mineral qualities, high grade concentrate potential with low impurities

Drilling Dominated Program
The Company has planned its inaugral drilling program for its flagship Warramboo Iron Project, situated on the Eyre Peninsula of South Australia and is in negotiations with contractors for an early commencement of drilling.

Size Potential
An extensive magnetic 'footprint' at Warramboo with a cumulative strike length of 50km, highlights the potential for a major discovery.

Infrastructure
Good quality infrastructure exists on the Eyre Peninsula with a rail line, road, power and water passing through the Warramboo project area to Port Lincoln.

Western Australia
A significant landholding in the highly prospective Windarling area of Western Australia, in close proximity to Portman Limited's Windarling Mine as well as prospective tenements in the Murchison region.

Opportunities
Iron Road will maintain an active program of identifying projects that complement the existing portfolio and the corporate strategy of the Company.

Prices
Iron Road is looking to develop its assets at a time when the iron ore price has increased 353% over the past 5 years.

Leveraged to Success
Upon successful completion of the IPO, the Company will have only 54,150,000 Shares on issue offering shareholders excellent leverage to exploration success.

The Iron Road Team
The Company's Board and management have extensive and relevant experience in the exploration, mining and finance industries.

These highlights are a brief summary only, and must be read in conjunction with the remainder of this Prospectus.

"The Warramboo Iron Project contains magnetite ore which, based on early testing, could yield high-grade concentrates suitable for DR-grade pellets"

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p19.

Adelaide Resources Ltd Managing Director Chris Drown (l) with Iron Road Limited Managing Director Andrew Stocks (r) on site at the Warramboo iron project.

IMPORTANT INFORMATION

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Prospectus is dated 18 April 2008. A copy of this Prospectus was lodged with ASIC on 18 April 2008. Neither the ASIC nor the ASX takes any responsibility for the contents of this Prospectus.

No securities will be allotted or issued on the basis of the Prospectus later than 13 months after the date of this Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in this Prospectus.

This Prospectus will be issued in paper form and as an electronic Prospectus which may be viewed online at www.ironroadlimited.com.au. This Offer is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanied by a complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hardcopy of this Prospectus by contacting the Company directly by telephone on (08) 9322 2700 or by email at admin@ironroadlimited.com.au.

This Prospectus is subject to an exposure period of 7 days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days.

The purpose of the exposure period is to enable examination of the Prospectus by investors prior to the raising of funds. That examination may result in the identification of deficiencies in the Prospectus and in those circumstances an Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the expiry of the exposure period. No preference will be conferred on Applications received during the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the Opening Date.

The Company will make an application with the ASX within 7 days of the date of this Prospectus for Official Quotation of the Securities.

The Prospectus contains the Application Form which Applicants must complete in making an application for Shares. An Application Form is only available with a Prospectus. Quallifying Adelaide Resources Limited shareholders will be posted a Priority Offer application form with the Prospectus.

Applicants should read this Prospectus in its entirety before deciding to apply for shares. If, after reading this Prospectus applicants have any questions as to how to deal with this Prospectus, they should contact a professional adviser.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

The photographs contained in this Prospectus are for illustration purposes only and are not necessarily assets of the Company. The Securities the subject of this Prospectus should be considered speculative. Please refer to sections 1.6 and 9 of this Prospectus for details relating to risk factors.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

Certain abbreviations and other defined terms are used throughout this Prospectus. Details of the definitions and abbreviations used are set out in section 13 of this Prospectus.

KEY DATES

Date of Prospectus	18 April 2008
Record Date for Priority Offer	23 April 2008
Offer Opening Date	28 April 2008
Priority Offer Closing Date	19 May 2008
Offer Closing Date	26 May 2008
Issue of Securities to Applicants	2 June 2008
Expected despatch of shareholder holding statements	6 June 2008
Trading of Securities on ASX expected to commence	9 June 2008

The above dates are indicative only and may vary. The Company reserves the right to change the key dates of the Offer without prior notice, which may have a consequential impact on other dates.

HOW TO INVEST

Applications to subscribe for or purchase Shares can only be made by completing and lodging an Application Form contained in this Prospectus.

Applications for Securities under the Priority Offer by Qualifying Adelaide Resources Limited Shareholders can only be made on the Priority Offer Application Form issued to the shareholder with this Prospectus.

Instructions on how to apply are set out in section 3.11 of this Prospectus and on the back of the Application Form. Applications must be for at least 10,000 Shares ($2000). Applications for more than 10,000 Shares must be in multiples of 1000 Shares.

"The entire blast furnace sector of the North American steel industry has been dependent on magnetite ores for the last forty years."

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p19.

Rail between Warramboo and Port Lincoln.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Board of Directors, it is my pleasure to invite you, through this Prospectus, to become a shareholder in Iron Road Limited.

Iron Road Limited has issued this Prospectus, which seeks to raise $5 million by the issue of 25 million fully paid Shares at an issue price of 20 cents each. *Oversubscriptions will not be accepted.* The funds raised will primarily be used to explore for iron ore mineralisation with the ultimate goal of finding and developing economic deposits to feed the rapidly expanding DRI and concentrate markets of Asia, Europe, and the Middle East.

In order to reach this objective, the Company has recently signed an agreement whereby it will acquire 100% of the Warramboo Iron Project, a collection of three deposits, located on the Eyre Peninsula of South Australia. The sale terms include a number of conditions, including ASX providing conditional approval to the admission of Iron Road to the Official List. Iron Road has additional agreements in place to acquire mineral exploration tenements prospective for iron ore in Western Australia.

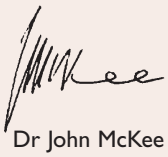
South Australia is considered the birthplace of the Australian iron ore industry and the Eyre Peninsula is well endowed with iron ore mineralisation. Commercial iron ore Resources exist immediately south of Warramboo, near Lock, as well as large scale operating mines to the east, near Whyalla. Importantly, the region enjoys good quality infrastructure including port, rail, power and water. Warramboo is known for its superior mineral qualities and high grade concentrate potential with low impurities. The Company's goal is to build up a resource inventory sufficient to warrant stand-alone production.

The Company has also acquired a significant land holding in the highly prospective Windarling area, in close proximity to Portman Limited's Windarling Mine in Western Australia. Portman is currently exporting 8 million tonnes per annum of direct shipping hematite ore from the area.

On successful listing on the ASX Iron Road will have a highly prospective mineral exploration portfolio, sufficient funding and an experienced and enthusiastic Board dedicated to delivering results.

Whilst the prospects are exciting, an investment in Iron Road should be considered speculative. It is recommended therefore that prospective investors read the Prospectus in its entirety and seek professional investment advice. I commend this Offer to you and look forward to welcoming you to the Company as a Shareholder.

Yours sincerely



Dr John McKee
Chairman

1. INVESTMENT SUMMARY

The information set out in this section is summarised and should be read in conjunction with the information contained in the remainder of this Prospectus.

1.1 Background

Iron Road Limited was formed with the purpose of identifying and developing iron ore opportunities with the potential to substantially increase the value of the Company and in turn, increase the value of its Shares. In particular, the Company has agreed to acquire 100% of the Warramboo Iron Project, on the Eyre Peninsula of South Australia, which is highly prospective for iron ore mineralisation. The Company has also acquired exploration projects prospective for iron ore mineralisation in Western Australia.

The Company's objectives over the two years following admission to the Official List are to:

- Explore and drill the targets identified on the Company's projects in order to discover and ultimately mine economic mineral deposits; and
- Continue to build the Company's portfolio of resource assets, both within and outside of the area of the Company's existing portfolio.

The emphasis of the Company's initial exploration will be directed towards exploration of already delineated magnetite iron ore targets at Warramboo.

1.2 Purpose of the Offer

The primary purpose of the Offer is to raise sufficient funds to enable the Company to meet its objectives, including:

- To implement the planned exploration programme as set out in this Prospectus;
- To acquire additional strategic interests in exploration and mining projects where considered appropriate in Australia and overseas;
- To repay exploration expenses and tenement acquisitions to the vendors;
- To pay the costs of this Issue, fund the admission of the Company to the Official List of the ASX and general operating costs; and
- To provide additional working capital.

1.3 Use of funds

The funds raised from the Offer will be applied as follows:

	Notes		Offer
Funds raised by the offer			5,000,000
Use of funds			
Exploration programs Year 1 and Year 2	i		3,075,000
Warramboo		2,379,000	
Windarling		281,000	
Murchison		415,000	
Cost of fund raising and listing			539,603
Administration for 2 years			1,100,000
Working capital			285,397
Total issue			**5,000,000**

Notes:

i. The majority of funds will be used for exploration activities on Iron Road's projects as described in the Independent Geologist's Report. The Company has adopted the exploration budget proposed in the Independent Geologist's Report.

1.4 Working capital adequacy

The Directors are of the opinion that on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

Subject to encouraging results, it is the Company's intention to increase and accelerate its exploration and drilling programs (as soon as practicable) and, subject to encouraging results being obtained, to delineate Resources. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.

When required, further funds are expected to be obtained from a combination of sources, which may include, but not limited to, farm-outs, joint venture, the proceeds of further Share issues and the exercise of Options.

1.5 Capital structure and financial information

As at the date of this Prospectus, there are 27,750,000 Shares and 16,625,000 Options on issue. For details of the pro forma statement of financial position, please refer to the Investigating Accountant's Report in section 7 of this Prospectus.

The pro forma capital structure of the Company based on the completion of this Offer (depending on the amount raised) is set out below.

Amount Raised by the Offer	**$5,000,000 Number of Shares**
Capital Structure prior to the Offer	
Shares	27,750,000
Options	16,625,000
Number of Shares and Options to be issued pursuant to this Prospectus	
Shares	25,000,000
Shares to Vendors (Windarling, Wanmulla, Rose Hill)	400,000
Shares to Sponsoring Broker (Note c)	up to 1,000,000
Options	0
Capital structure following completion of the Offer	
Shares	54,150,000
Options	16,625,000

Note: (a) The rights attaching to the Shares and Options are summarised in section 11.5 of this Prospectus.

(b) Of the 27,750,000 Shares on issue prior to the offer, 21,000,000 Shares have been issued to Adelaide Resources Limited. The Company will apply to the ASX for a waiver of the escrow provisions to enable the 21,000,000 Shares to be distributed in specie to the shareholders of Adelaide Resources Limited, subject to Adelaide Resources Limited obtaining the necessary shareholder approval for a capital reduction and in specie distribution. It is anticipated that most or all of the remaining 6,750,000 Shares and 16,625,000 Options currently on issue will be classified as restricted securities by the ASX (refer to section 3.12 of this Prospectus for further details).

(c) Shares to Sponsoring Broker is the maximum amount and the amount issued may be less than 1,000,000.

1.6 Risk factors

An investment in Securities pursuant to this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company. The Directors consider that the key investment risks in the Company are as follows:

- There is a risk that exploration and evaluation programs may not define economic mineralisation.
- Certain of the Western Australian tenements remain under application at the date of this Prospectus, and it is uncertain when the grant of these tenements will be approved (if at all).
- Tenements once granted have a finite term and are subject to certain terms and conditions, including partial compulsory surrender and expiry, which could result in the loss of part or all of those tenements.

A summary of the key risks is set out in section 9 of this Prospectus.

1.7 Rights Issue of Options After Listing

All Shareholders registered on the share register of Iron Road Limited at a date approximately eight (8) weeks after Iron Road Limited Shares are quoted on the ASX will be entitled to participate in a proposed non-renounceable rights issue of Options on

the basis of 1 Option for every 2 Shares held. The options are to be issued at one (1) cent each with an exercise price of 20 cents and an expiry date of two years following their issue. Application will be made for the Options to be granted Quotation.
The terms and conditions of the Options to be issued pursuant to the rights issue will be set out in a Prospectus following the listing of Iron Road Limited on the ASX.

2 PROJECT SUMMARY

2.1 Introduction

Iron Road has agreements to obtain title for exploration licences prospective for iron ore mineralisation in South Australia and Western Australia (Image 2.1). The Initial focus of activities will be at the Warramboo project area on the Eyre Peninsula of South Australia, where significant iron ore mineralisation has been identified.

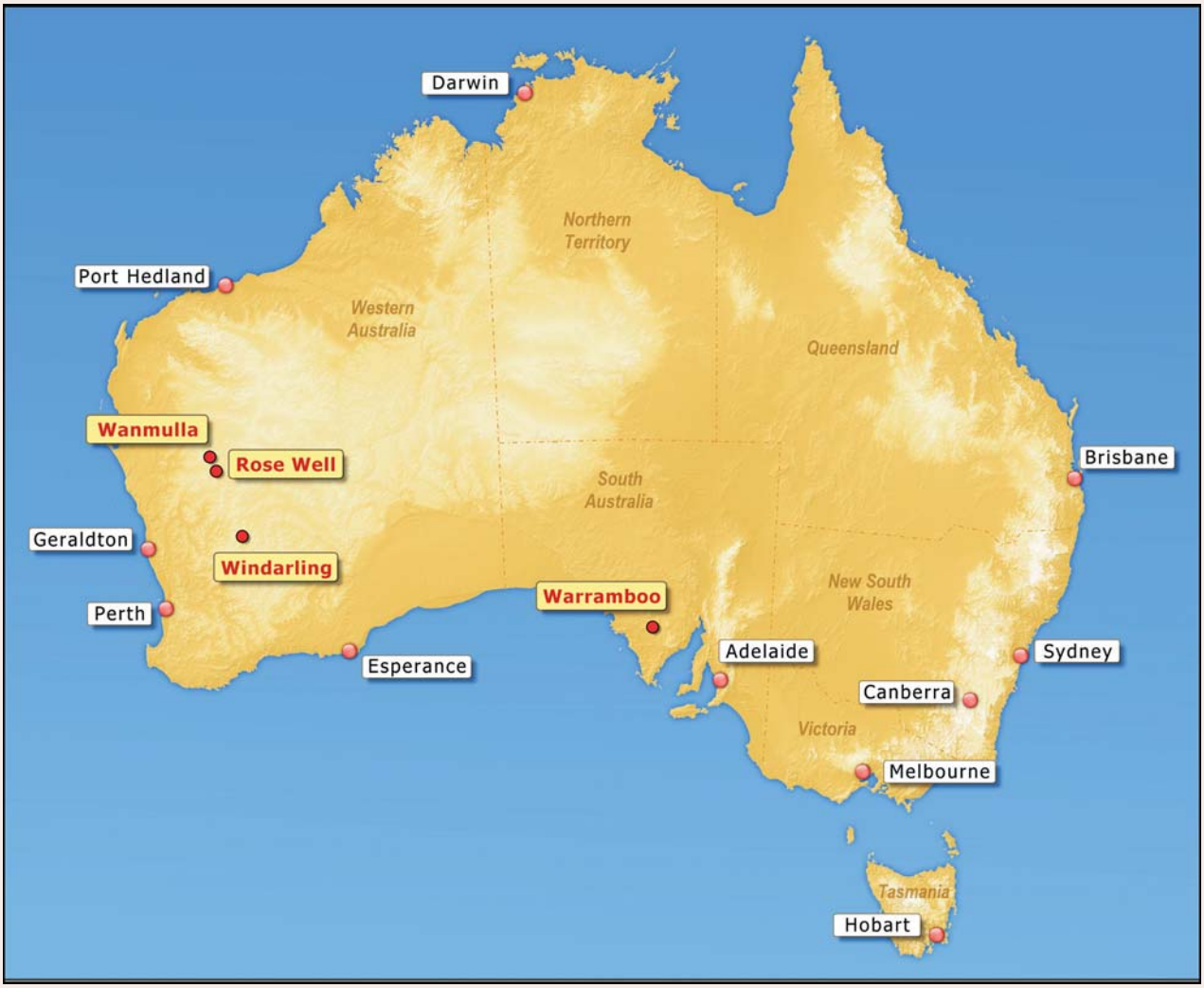


Image 2.1 Project location map

2.2 South Australia

2.2.1 Warramboo

The Warramboo iron project (663km^2) is located on the Eyre Peninsula of South Australia (Image 2.2). The project area consists of three distinct prospects – Warramboo, Kopi and Hambridge – with initial work planned to commence at the strongest anomaly, Warramboo. This is a farming area with good infrastructure, including a third party railway which runs through the lease area, connecting the project to the deep water harbour at Port Lincoln, 175km to the south.

Image 2.2 South Australian project location

The project contains extensive magnetite-bearing gneiss units mapable as prominent linear magnetic anomalies with a cumulative strike length in excess of 50 kilometres (Image 2.3). Limited exploration drilling to date has returned wide intervals of magnetite mineralisation below shallow sand and weathered bedrock cover (Images 2.4, 2.5).

Image 2.3 Interpreted Magnetite-Gneiss units at Warramboo

Metallurgical test-work has produced encouraging results. Chemical analyses of magnetite concentrates from 18 Davis Tube tests returned an average iron grade of 70.4%, an exceptionally high value. This would enable Warramboo magnetite concentrate to be used in the production of feedstock for Direct Reduced Iron (DRI) plants as well as blast furnace feed.

Equally encouraging, elements potentially deleterious in the iron and steelmaking process were found to be at low levels in the test work concentrates. For example, the magnetite concentrates average only 0.007% Phosphorous, an exceptionally low value.

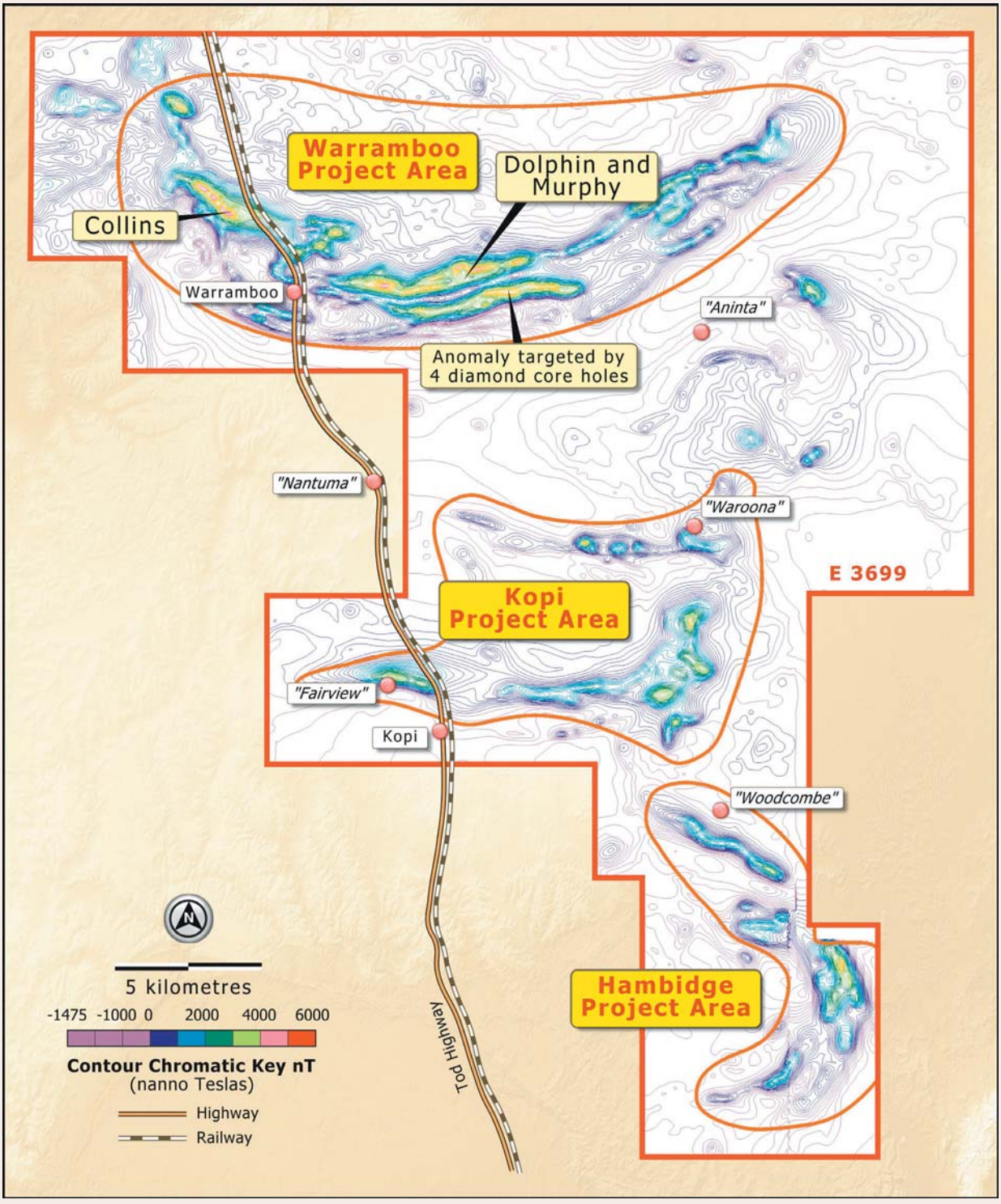


Image 2.4 Magnetic Intensity Contours

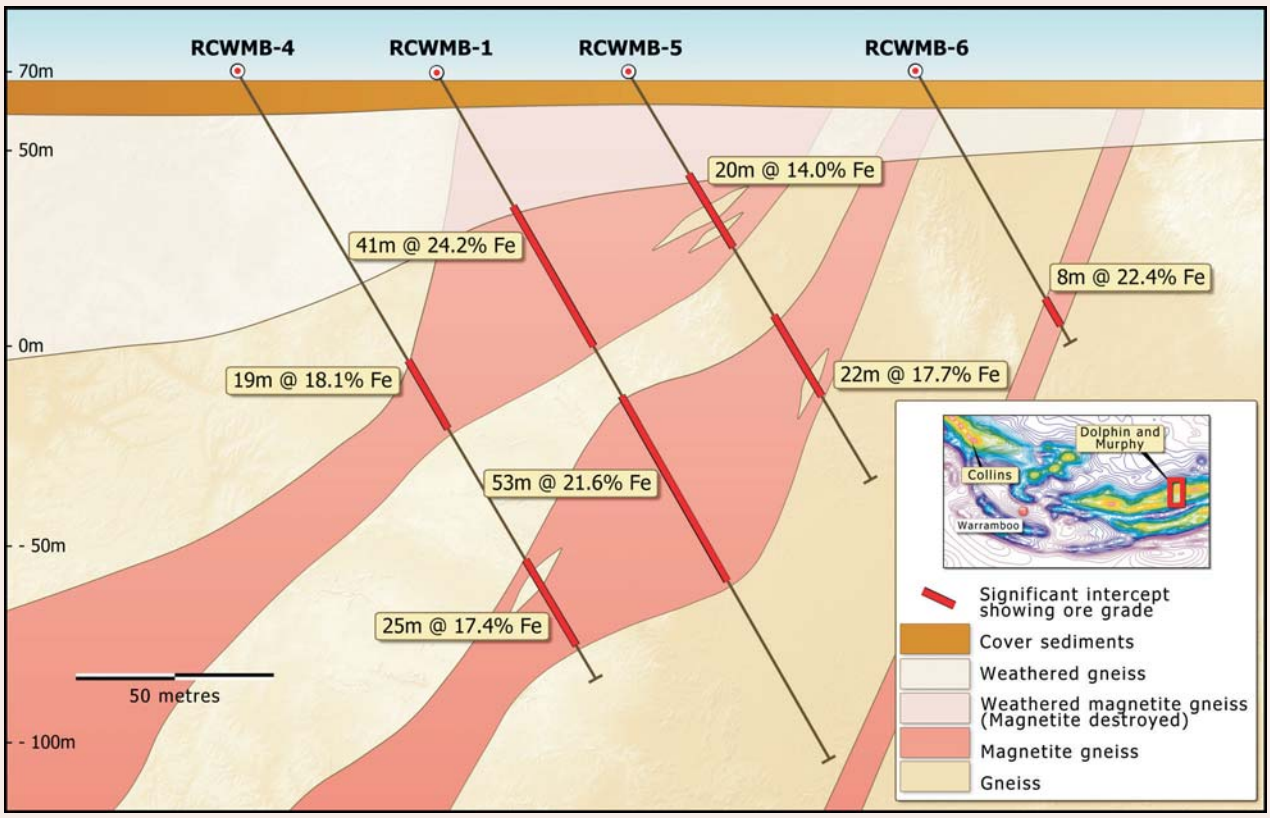


Image 2.5 Section through Murphy

The Company's goal at Warramboo is to build a Resource inventory to warrant developing stand-alone mining operations with a view to feeding the rapidly expanding DRI and concentrate markets of Asia, Europe, and the Middle East. Resource Economics consultants Metalytics Pty Limited, have identified the following positive factors for Warramboo:

- Existing rail infrastructure and highly competitive distance to deepwater port compared with current and potential Australian producers;
- Metallurgical test work indicates high-grade magnetite concentrate can be produced;
- Potential pellet specification acceptable for direct reduction plants;
- Concentrate could also be suitable for use in sinter feed blends with other coarser-grained but lower-grade Australian iron ores; and
- Prospective market in China, where steel mills have established expertise in using magnetite concentrates.

Results achieved to date show that Warramboo is a high quality iron ore exploration project where more detailed exploratory work is warranted as the basis for advancing the project to potential development status.

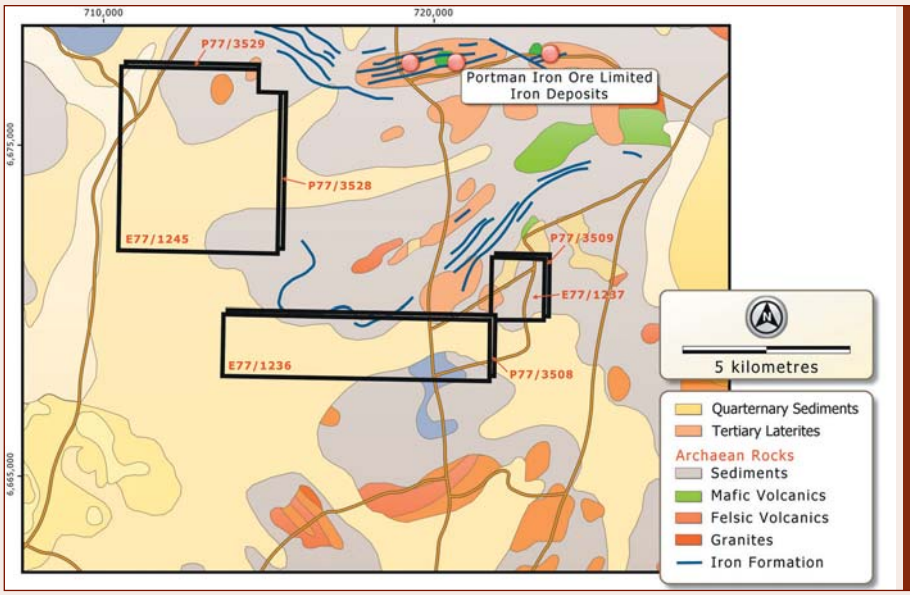
2.3 Western Australia

2.3.1 Windarling Peak

The Windarling Peak Project is located approximately 85km north of Koolyanobbing, Western Australia and consists of 3 granted exploration licenses and 4 prospecting license applications. This region has excellent infrastructure in place, with rail from nearby Koolyanobbing to the deepwater port of Esperance.

The primary banded iron formation in the Koolyanobbing Range, which has been strongly folded and thickened, is composed of banded magnetite-talc schist, quartz-magnetite containing some pyrite, and siderite – massive pyrite containing some specular hematite, magnetite and graphite.

The project is located in a significant iron ore producing area. The nearby Koolyanobbing Iron Project, operated by Portman Limited, has resources totalling 52.7Mt @ 63.49% iron, the majority of which are located between 2.5km to 7km from Iron Road's tenements. Portman mines the deposits as a single operation, trucking the ore from Mt Jackson and Windarling to Koolyanobbing which is then railed to the deepwater port of Esperance for export. Exploration activities will target the potential continuation of the Windarling structure on Iron Road's tenements.



"Strong demand growth over the next two decades will require that global iron ore prices are sustained at levels more than sufficient to support the continuous development of matching new supply."

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p26.

Image 2.6 Windarling project area

2.3.2 Murchison Projects

The Company's Murchison projects comprise two project areas, Wanmulla and Rose Hill.

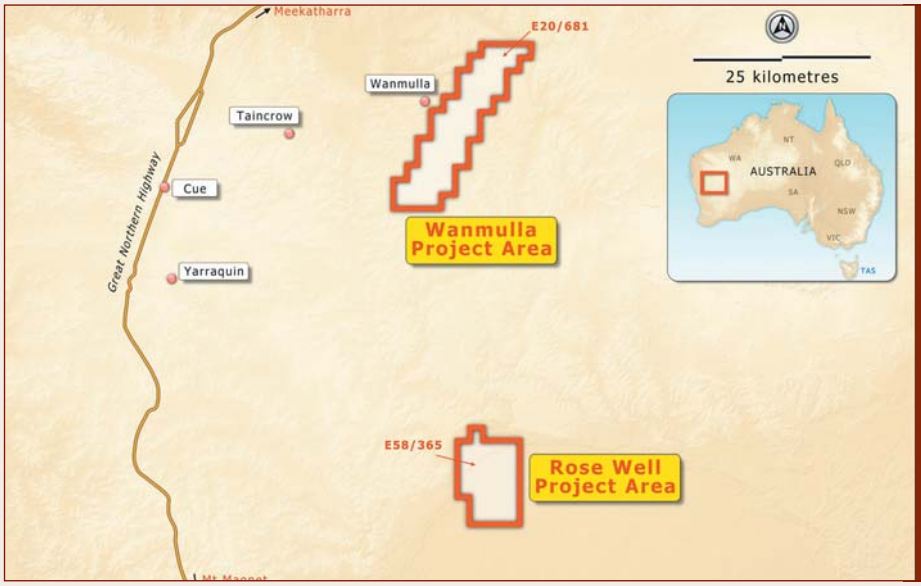
The Wanmulla Project is located approximately 50km east north east of Cue, in the Murchison Goldfield of Western Australia. The project covers the eastern edge of the Mount Magnet – Meekatharra greenstone belt in the vicinity of Tuckibianna.

The Rose Well project is located approximately 60km north east of Mount Magnet, Western Australia. The majority of the lease is interpreted to be gneissic granitoids however there is outcropping banded iron formations as enclaves of greenstone within the central portion of the project. It is likely that further enclaves of greenstone are present.

Iron Road intends to investigate the potential of its Murchison projects, particularly beneath the surface alluvial and colluvium cover.

2.4 Proposed Budget Summary

The Company proposes to adopt the budgets included with the Independent Geologist's Report, summarised below, in relation to its exploration activities. These budgets are based on the Company's present knowledge of the projects and the proposed expenditure may be refined to suit the results and programs. Given the inherent uncertainties associated with mineral exploration, programmes and budgets are subject to change.



"The international iron ore market has been tight or in deficit since 2003."

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p24.

Image 2.7 Murchison project area

Fully Subscribed **$5 million raising**

Project summary	**Year 1** $	**Year 2** $	**Total** $
Warramboo project area	1,237,000	1,142,000	2,379,000
Windarling Peak	140,000	141,000	281,000
Murchison	206,000	209,000	415,000
TOTAL	**1,583,000**	**1,492,000**	**3,075,000**

Exploration Expenditure Summary	**Year 1** $	**Year 2** $	**Total** $
Data review	102,000	82,000	184,000
Field surveys	67,000	58,000	125,000
Geophysics	28,000	19,000	47,000
Drilling	1,386,000	1,333,000	2,719,000
TOTAL	**1,583,000**	**1,492,000**	**3,075,000**

3 DETAILS OF THE OFFER

3.1 Shares Offered for Subscription

This Prospectus invites investors to apply for a total of up to 25 million Shares at an issue price of 20 cents per Share, to raise up to $5 million. All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Shares already on issue.

Applications must be for a minimum of 10,000 Shares (and free attaching Options) and thereafter in multiples of 1,000 Shares. Applications can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate to any investor fewer Securities than the number applied for.

All Shareholders registered on the share register of Iron Road Limited at a date approximately eight (8) weeks after Iron Road Limited Shares are quoted on the ASX will be entitled to participate in a proposed non-renounceable rights issue of Options. Refer section 1.7.

3.2 Minimum Subscription
The minimum subscription for the Offer is 25 million Shares raising $5 million. No securities will be issued pursuant to this Prospectus until the minimum subscription is reached.

If the minimum subscription has not been raised within 3 months after the date of this Prospectus, the Company will either repay the Application moneys to the Applicants or issue a supplementary or replacement prospectus and allow Applicants to withdraw their Application and be repaid their Application moneys. Interest will not be paid on Application moneys refunded.

Oversubscriptions will not be accepted.

3.3 Offer period
The Offer will open 7 days after the date of this Prospectus, or such later date as may be prescribed by the ASIC.

The Priority Offer will close at 5 pm WST on 19 May 2008 subject to the right of the Company to either close the Priority Offer at an earlier time and date or to extend the closing date and time without prior notice.

The Offer will close at 5 pm WST on 26 May 2008 subject to the right of the Company to either close the Offer at an earlier time and date or to extend the closing date and time without prior notice.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

3.4 Underwriting
The Offer is not underwritten.

3.5 Priority Offer
Of the 25,000,000 Shares being offered, the Company has reserved 7,500,000 of these Shares, being 30% of the Offer, for Qualifying Shareholders of Adelaide Resources Limited. Qualifying Shareholders in respect to the Priority Offer will be those Shareholders holding at least 8,000 Shares in Adelaide Resources Limited at the Record Date.

Allocation of Shares under the Priority Offer will be entirely at the Directors' discretion. In determining allocations under the Priority Offer, the Directors will give consideration to, among other things, the date on which the Company receives the Priority Offer application.

It is the Directors' intention that as many Qualifying Shareholders as possible receive at least the minimum allocation of 10,000 Iron Road Shares ($2,000), however there is no guarantee that Qualifying Shareholders will receive an allocation.

Qualifying Shareholders who wish to subscribe for Shares pursuant to the Priority Offer must make an Application on the personalised Priority Application Form sent to them with this Prospectus.

Qualifying Shareholders applying under the Priority Offer must at least apply for the minimum entitlement of 10,000 Shares (minimum $2,000) and thereafter in multiples of 1,000 Shares.

"The economics have come down in favour of shipping concentrates to pellet plants in Asia."

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p24.

Port Lincoln.

If Qualifying Adelaide Resources Limited shareholders apply for in excess of the reserved 7,500,000 Shares, the balance of the applications over the reserved 7,500,000 Shares will be considered as part of the Public Offer. If Qualifying Adelaide Resources Limited shareholders apply for less than 7,500,000 shares, the balance of the reserved 7,500,000 Shares will be included as part of the Public Offer.

The Priority Offer will close at 5 pm WST on 19 May 2008 subject to the right of the Company to either close the Priority Offer at an earlier time and date or to extend the closing date and time without prior notice.

3.6 Allotment and Allocation of Securities

Subject to the ASX granting approval for the Company to be admitted to the Official List, the allotment of Securities to Applicants will occur as soon as possible after the Offer is closed, following which statements of holdings of Securities will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

Pending the issue of the Securities, or return of the Application monies, the Application Monies will be held in trust for the Applicants.

The Company in consultation with the Sponsoring Broker to the Issue, has the right to allocate Securities under the Offer. The Company may reject any Application or allocate to any investor fewer Securities than applied for under the Offer. If an Application is not accepted, or is accepted in part only, the relevant part of the Application monies will be refunded. Interest will not be paid on Application monies that are refunded.

3.7 Brokerage and Fees

No brokerage, stamp duty or commission is payable by Applicants on the Securities issued pursuant to this Prospectus.

The Company will pay the Sponsoring Broker to the Offer, a fee of 5% of the amount raised by the Sponsoring Broker from subscriptions to the Offer and a management fee of 1%. The Sponsoring Broker will also receive up to 1,000,000 shares in the Company.

3.8 Applicants outside Australia

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be allotted Securities. No action has been taken to register or qualify the Securities or the Offer or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia.

3.9 ASX Listing

The Company will apply to the ASX within 7 days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Securities offered to investors under this Prospectus.

If the ASX does not grant approval for Official Quotation of the Securities within 3 months after the date of this Prospectus, the Company will not allot or issue any Securities and will repay all Application monies without interest within the period prescribed by the Corporations Act.

The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may admit the Company to its Official List and quotation of the Securities on the ASX is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus

3.10 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System ("CHESS"), operated by ASTC (a wholly owned subsidiary of the ASX), in accordance with the Listing Rules and the ASTC Settlement Rules. Under this system there will be an electronic issuer sponsored sub-register and an electronic CHESS sub-register. These two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to investors. Instead, the Company will provide investors with a holding

statement (which is similar to a bank account statement) that sets out the number of Securities allotted to that investor under this Prospectus. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer–sponsored sub-register.

A statement will be routinely sent to holders of Securities at the end of any calendar month during which their holding changes. A holder of Securities may request a statement at any other time, however a charge may be incurred for additional statements.

3.11 How To Apply

Applications for Securities under the Offer can only be made on the Application Form issued with and attached to this Prospectus. Applications for Securities under the Priority Offer by Qualifying Adelaide Resources Limited shareholders can only be made on the Priority Offer Application Form issued to the shareholder with this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of each Application Form. Completed Application Forms and accompanying cheques should be lodged at any time after the Opening Date with:

Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS 6153 Western Australia	**OR**	Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS 6153 Western Australia

Cheques must be made payable to "Iron Road Limited – Subscription Account" and crossed "Not Negotiable".

Applications must be for a minimum of 10,000 Shares at the issue price of 20 cents per Share. Applications for more than 10,000 Shares must be in multiples of 1,000.

3.12 Escrow Provisions

Securities on issue as at the date of this Prospectus to promoters and seed capital investors, may be subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such securities may be required to be held in escrow for up to 24 months as determined by the ASX and may not be transferred, assigned or otherwise disposed of during that period.

3.13 Electronic Prospectus

This Prospectus is available on-line at www.ironroadlimited.com.au

3.14 Enquiries in Relation to the Offer

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

3.15 Privacy Disclosure

The Company collects information in relation to each Applicant as provided on an Application Form (Information) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's Security holding in the Company (Purposes).

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Sponsoring Broker/Manager to the Issue, Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, and to the ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the register, including bidders for your Securities in the context of take-overs, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

3.16 No Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company is an exploration company. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenues. Accordingly, any forecast or projected financial information would contain such a broad range of potential outcomes and possibilities that is not possible to prepare a reliable best estimate, forecast or prediction in this Prospectus.

4 PROFILE OF DIRECTORS AND MANAGEMENT

John McKee CTA, CA (SA), MBA, PhD
Chairman

Dr John McKee is a senior executive with a significant record of achievement in the resources and energy sectors throughout Australia and internationally. He is a Chartered Accountant, holds an MBA degree and a Doctorate (PhD) in International Finance.

Major industry roles include Finance Director of Shell Oil South Africa Ltd, Executive Director and Chief Operating Officer of SANTOS Ltd, Managing Director of Petroleum Management Associates and Corporate Finance Director of Telstra Ltd.

Government appointments have included Chairman of the State Energy Commission of Western Australia (SECWA), Co-Ordinator General of the State Development Ministry of Western Australia (Ministry of Economic Development and Trade) and Resources Advisor to the South Australian Government.

The Australian Commonwealth Government appointed Dr McKee as Australian Resources Representative to the OECD in Paris and as Chairman of the Telstra Instalment Receipt Trust. He currently acts as a Non-Executive Director for resource companies and as Chairman of Rondebosch Investments, a corporate advisory service.

Andrew J Stocks BE, Grad Dip Bus, FAusIMM, JP
Managing Director

Mr Stocks is a mining engineer with twenty years experience in the resources sector, primarily in mining operations and corporate roles. He has been particularly active in the areas of business optimisation, cost and production efficiency improvements, project evaluation and development of mining projects in Australia and overseas.

Mr Stocks was previously Managing Director and Chief Executive Officer of Siberia Mining Corporation until its merger with Monarch Gold. Prior to Siberia, he was Vice President, Operations of Crew Gold Corporation, a London based mining and exploration company. He is currently Non-Executive Director of National Mining Investments Ltd, an unlisted public exploration company.

Matthew J Keegan B App Sci. (Geology), MAusIMM
Director

Mr Keegan gained extensive experience as a mine geologist working for companies such as Rio Tinto and Barrick across a range of commodities including iron ore, nickel, and gold. Mr Keegan is currently an Investment Advisor at The Sentient Group. Prior to joining Sentient, he worked as a mining analyst with a major research house, culminating in the publication of several mining industry cost studies.

Graham D Anderson BBus, DipFP, CA
Company Secretary

Mr Anderson is a graduate of Curtin University and has over 20 years' commercial experience as a Chartered Accountant. He operates his own specialist accounting and management consultancy practise, providing a range of corporate advisory services to both public and private companies. From 1990 to 1997 he was an audit partner at Duesburys and from 1997 to 1999 he was an audit partner at Horwath Perth. He is currently Director and Company Secretary of APA Financial Services Limited, Echo Resources Limited, Pegasus Metals Limited, Dynasty Metals Australia Limited and Company Secretary of Apex Minerals NL.

"... the magnetic properties of magnetite make it relatively easy to extract, yielding a high-grade product."

Source: "An Overview of the Iron Ore Industry", Metalytics Pty Ltd, p19.

Warramboo Post Office.

Metalytics
Resource Sector Economics

An Overview of the Iron Ore Industry

Summary

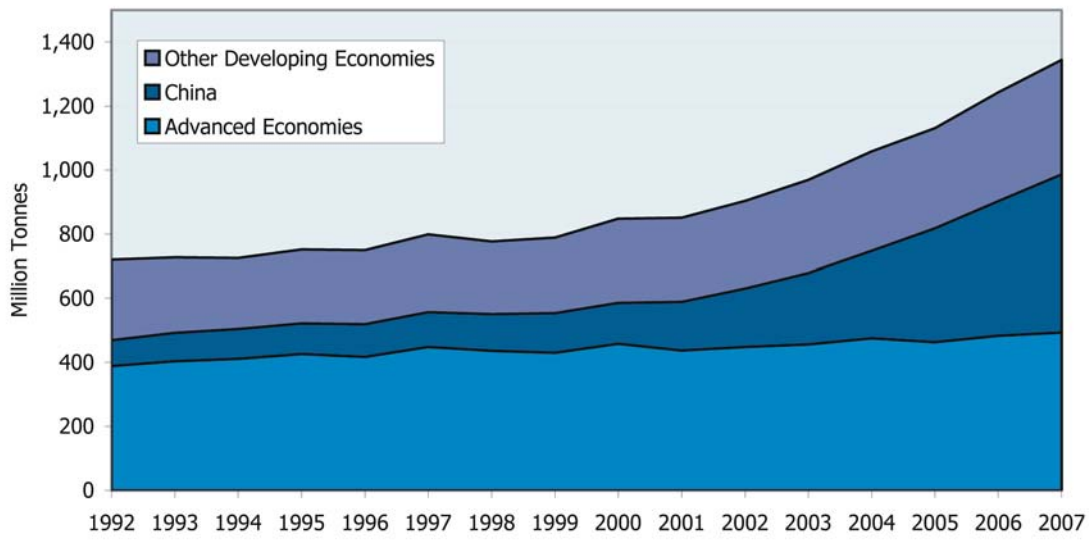
The world steel industry has undergone exceptional growth in recent years, largely driven by China's economic boom. This has created unprecedented demand for iron ore, the fundamental steelmaking raw material, with around 1.6 billion tonnes being consumed in 2007. Even so, the per-capita use of steel in developing countries, especially India, is well below that of advanced economies, leaving enormous scope for continued growth. While the global steel industry is fragmented into hundreds of enterprises, the iron ore industry is relatively concentrated. Australia and Brazil are the dominant exporting countries and three companies, Vale (formerly CVRD), Rio Tinto, and BHP Billiton control more than 70% of seaborne trade.

The main types of traded iron ore are hematite, magnetite and goethite. These are sold as natural lumps, fines, concentrates, and pellets. The very fine fraction and concentrates are typically pelletised before use, either by iron ore producers – Vale is the largest pellet producer – or by steel mills. Coarser grained fines are usually sintered at steel mills, while lumps can be directly charged into blast furnaces. A growing market for pellets is in Direct Reduction (DR) furnaces, which simply reduce the ore to metallic iron without smelting. As gangue components such as silica and alumina are not removed by the DR process, very high grade iron ore is required.

Hematite and goethite ores commonly occur as direct shipping ore (DSO), while magnetite is usually concentrated before shipment. However, the magnetic properties of magnetite make it relatively easy to extract, yielding a high-grade product. Moreover, magnetite oxidises exothermically during pelletisation, providing up to 60% of the thermal energy needed for this process. The Warramboo Iron Project contains magnetite ore which, based on early testing, could yield high-grade concentrates suitable for DR-grade pellets. Globally, the production of pellet feed fines from both magnetite and hematite ores is increasing with the need to exploit a wider range of ores and grades to meet demand. This has led to great interest in previously shunned magnetite deposits in Australia, which traditionally has exported mainly DSO hematite and goethitic ores.

The entire blast furnace sector of the North American steel industry has been dependent on magnetite ores for the last forty years. Magnetite is also strategically important to Chinese steel mills, whose processes are tuned to using domestic magnetite blended with coarser-grained imported ores. This has led to major Chinese mills taking interests in overseas magnetite projects to leverage this technical capability and secure long-term supply.

World Crude Steel Production



Source: Metalytics

The Importance of Iron Ore

Iron ore is the fundamental raw material in steelmaking, the world's largest metals industry. Global steel production of 1.3 billion tonnes in 2007 generated a demand for 1.6 billion tonnes of iron ore. Even though steel is one of the most recycled materials on earth, scrap provides feed for only about 40% of world output, the remainder coming directly or indirectly from newly-mined iron ore.

World steel production has been growing rapidly as China's industrialisation and urbanisation have given rise to a new centre of global steel demand. Over the last six years Chinese crude steel output has more than tripled, and now matches that of all the advanced economies combined.

But even though world steel production has grown annually by between 6% and 10% since 2002, global finished steel consumption per capita is only now reaching 200kg/year, around half that of the USA. China's annual per-capita steel consumption has reached 300kg, but this is still well short of levels in neighbouring industrial nations: Japan's is over 600kg and South Korea's 1,000kg. And India is far behind at less than 50kg/person.

Regardless of substitution by other materials, steel remains an essential engineering material for construction, infrastructure, manufacturing, transport and other sectors, and the steel industry is continually developing new higher-performance products to secure demand growth. This in turn drives continued growth in iron ore consumption.

Global Steel Production

World production of crude steel (the raw material for the production of finished steel in its various shapes and alloys) has expanded by 85% over the past 15 years. Annual output exceeded one billion tonnes for the first time in 2004, around 340Mtpa above 1992 levels, but it is taking less than four years to add the next 340Mtpa and 1.5 billion tonnes per annum is in sight by 2009.

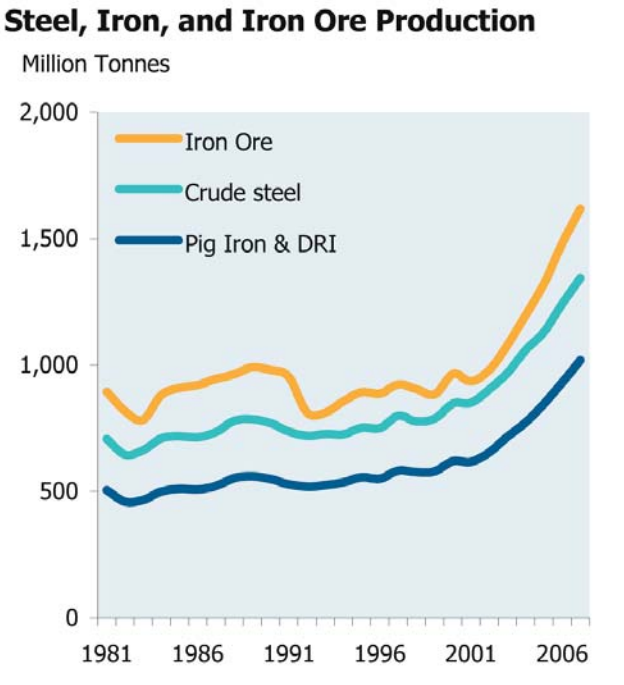
Steelmaking is truly a global industry, with mills in more than 85 countries. China is now the largest producing country: its crude steel output is expected to significantly exceed 500 million tonnes (Mt) in 2008. Next largest are Japan with around 120Mtpa and the USA at 100Mtpa. Russia's output was around 73Mtpa in 2007. India and South Korea follow at the 50Mtpa level, but India's production is growing at a rapid pace and 80Mtpa is targeted by 2012. In seventh place is Germany, the largest European producer, with an estimated 49Mt last year.

Among the geographical regions, Asia is unrivalled, its steel production reaching the 750Mtpa level in 2007. Europe follows with over 240Mt, including almost 65Mtpa in the developing economies of Eastern Europe and Turkey.

By process, Basic Oxygen Furnaces (BOFs) produce about two-thirds of the world's crude steel. The share held by Electric Arc Furnaces (EAFs) is just over 30%. Other steelmaking processes, mostly antiquated Open Hearth furnaces in Russia and other CIS countries, make up the remainder.

BOFs are normally found in integrated steelworks and are fed with hot metal (liquid pig iron) produced in Blast Furnaces from iron ore. As a result, the Blast Furnace route remains the world's dominant ironmaking process.

EAFs largely use scrap feed, but are also the main market for Direct Reduced Iron (DRI), a feedstock produced from iron ore. DRI substitutes for scrap in developing countries where scrap supplies are inadequate, and also in EAFs producing higher-quality steels which demand consistent low-impurity



Source: Metalytics

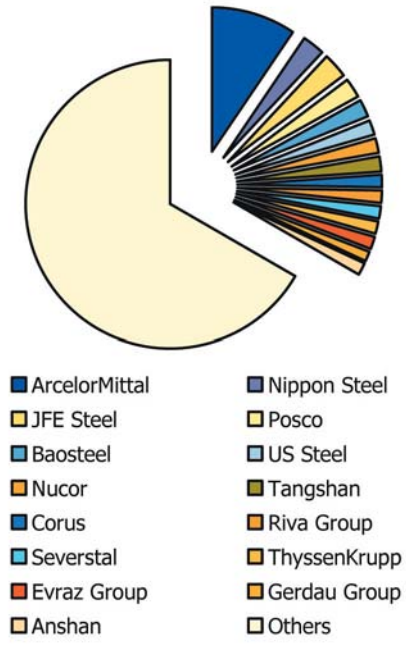
feed. Global DRI production has doubled since 1995, reaching close to an estimated 65Mtpa in 2007.

While the DRI sector of the industry is small compared to the traditional blast furnace sector – where output is expected to exceed one billion tonnes in 2008 – DRI provides an important growth market for iron ore pellets, which make up around 70% of DRI iron oxide feed material. The dominance of the blast furnace, meanwhile, continues to drive general demand for iron ore products.

Compared with other metals, the steelmaking industry is relatively fragmented. Well over 120 companies each produce more than 2Mtpa.

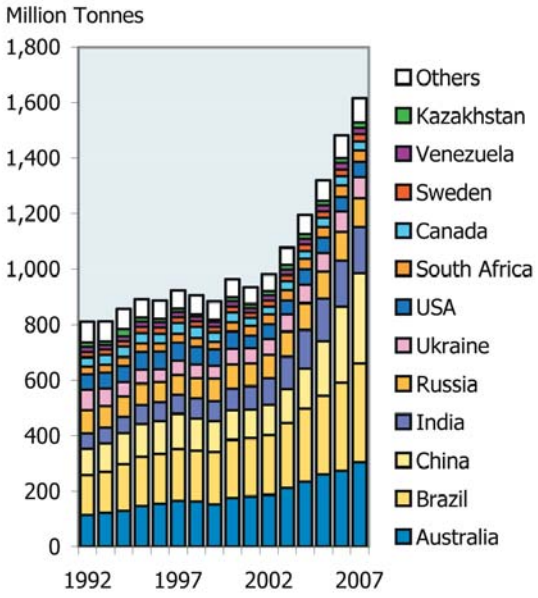
The formation of ArcelorMittal in 2006 created the world's first steelmaker with capacity exceeding 100Mtpa, several times larger than the big Asian companies – Nippon Steel, JFE Steel, and Posco – which produce just over 30Mtpa each.

Steel Industry Structure
(based on 2006 Crude Steel Production)
Companies identified produced more than 15Mt



Source: Metalytics

World Iron Ore Production Evolution



Source: Metalytics

By contrast, China's steel industry is particularly unconsolidated. In 2006, more than 50 Chinese enterprises produced 2Mtpa or more; the top 10 mills accounted for only one third of total output, while small mills of up to 2Mtpa contributed more than one quarter.

The Iron Ore Industry

World iron ore production doubled over the 15 years from 1992 to 2007, but the expansion has been largely restricted to a few geographic regions. The two dominant exporting countries, Australia and Brazil, together contributed half of the global increase.

For 2007, Australia's production is estimated at just over 300Mt and Brazil's at more than 350Mt. China's output (adjusted for the lower iron content of its ore) is estimated at over 320Mt, having expanded by 230Mtpa over the 15-year period. India's output has tripled, to reach an estimated 167Mt in 2007.

The CIS is a large producing region, although its output plummeted after the break-up of the former Soviet Union, only recovering to the 1992 level in the last few years. CIS 2007 production is estimated at around 200Mt. Elsewhere, growth has been relatively small.

Importantly, 80% of the global increase in iron ore production has occurred since 2000. In that period, Australia added 130Mtpa, Brazil 150Mtpa, China 220Mtpa (adjusted for grade), and India about 90Mtpa to their respective annual production rates. These four countries have provided almost 90% of new supply.

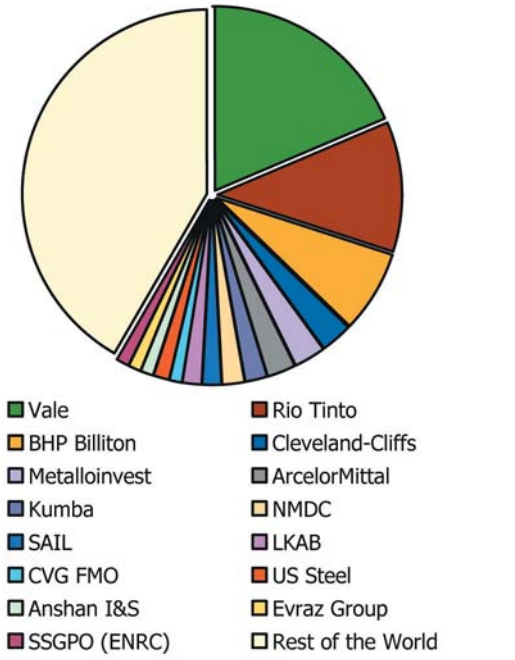
China's output is all consumed domestically, while close to half of India's production now goes to meet rapidly growing local demand. Brazil's steel industry is also primed to expand, but iron ore production there has outpaced the growth of steel and more than 80% is exported. Australia's steel industry is small compared to its iron ore industry and more than 95% of iron ore produced goes to exports.

Iron Ore Producers

As well as being concentrated geographically, the iron ore industry is in the hands of a small number of large companies.

Iron Ore Industry Company Structure

(based on estimated 2007 controlled production)



Source: Metalytics

Iron Ore Industry Company Structure (based on estimated 2007 controlled production)

The world's three largest producers are also the major exporters that dominate global seaborne trade. Vale (the new name for Brazil's Companhia Vale do Rio Doce) produced around 300Mt in 2007, equivalent to 19% of world supply. Rio Tinto and BHP Billiton complete the so-called "Big Three" of iron ore, with controlled 2007 production of around 180Mt (164Mt in Australia) and just under 120Mt (111Mt in Australia) respectively. The Big Three thus provided 37% of world output in 2007, and the Top 15 shown in the chart accounted for 64%.

It is worth noting that many iron ore producers are steel companies with captive mines producing entirely or substantially for their own consumption, leaving the international traded ore market even more concentrated.

Iron Ore Types and Products

Iron ores are iron (Fe) oxides, with the common commercial types being:

- hematite (ferric oxide) – Fe_2O_3
- magnetite (ferrous-ferric oxide) – Fe_3O_4
- hydrous iron oxides – $FeO.OH.nH_2O$ – such as goethite and limonite, generally formed by the weathering of hematite.

Saleable iron ore products contain high concentrations of these minerals. Physically, they fall into four main types:

- fines – particles between about 0.15mm and 6mm in diameter
- lumps – from about 6mm up to 30-35mm
- concentrates – particles less than 0.15mm
- pellets – 6mm to 18mm balls

Fines and lumps are generated from crushing and screening processes. Concentrates are the result of further beneficiation processes to remove contaminants and gangue from low-grade ores. Pellets are ball-shaped lumps manufactured from agglomerated concentrates (or fines) by mixing them with a binder such as bentonite and baking them in a furnace.

Traditionally, Australia has exported hematite ores from Western Australia's Pilbara region, largely produced from the Brockman Iron Formation. These ores such as Rio Tinto's Hamersley and BHP Billiton's Newman brands could be extracted, blended and shipped with minimal processing and are generally referred to as direct shipping ores (DSO). Their Fe content (grade) is typically 64%. Pure hematite contains 69.9% Fe and 30.1% oxygen.

Since about the 1990s, dwindling Brockman-type reserves and rising demand have led to the increasing use of Channel Iron Deposit (CID) and Marra Mamba ores, which contain goethite as well as hematite and are generally lower in grade, largely owing to higher moisture contents. These ores have formed increasingly important proportions of Asian steel mills' iron ore blends, with steelmakers and iron ore producers investing in extensive R&D efforts to find how to use them more effectively. Processing is also generally limited to crushing and screening and so these ores are also considered as DSO.

While pure magnetite contains 72.4% Fe, magnetite ore as it occurs in the ground is generally of low grade (25-40% Fe) and requires a high level of processing to concentrate it for use in steelmaking. Despite the cost of this extra processing step and the burden of mining material later to be rejected as waste, magnetite is estimated to make up around one third of global iron ore production, being prevalent in North America, China, and the C.I.S and Europe. Explosive growth in iron ore demand and China's need to secure long-term supplies have now led to great interest in previously shunned Australian magnetite ore deposits.

Magnetite processing usually involves crushing and grinding the ore to a very fine particle size and then using magnetic separation techniques to extract the magnetite from the unwanted gangue minerals. Because of their fine grainsize, concentrates cannot be directly used by steel mills – they first need to be pelletised. This can be done at steel plants, but is often done prior to shipment by iron ore producers.

The mechanical strength of pellets makes them suitable for transport and their regular size and consistent high-grade chemical composition make pellets premium blast furnace feedstock. About one-sixth of international iron ore trade is in this form.

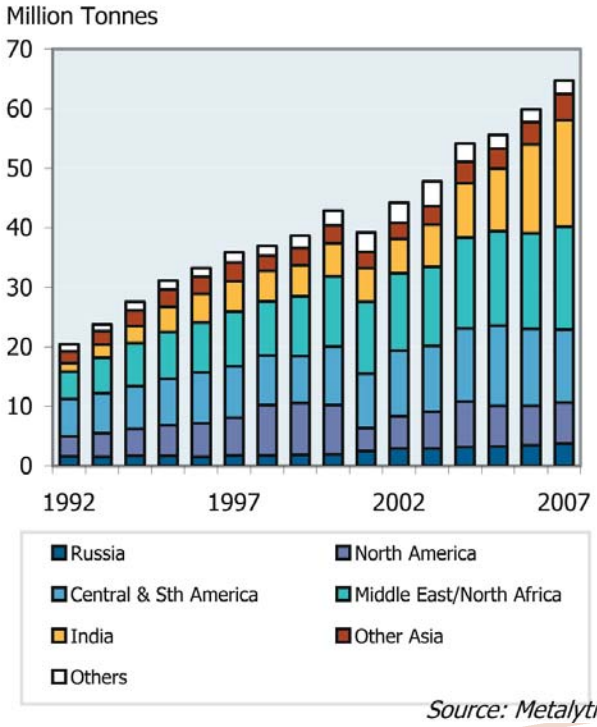
As actual smelting does not occur in the DR process, the gangue material (mainly silica and alumina) in the feed ore is retained in the Direct Reduced Iron (DRI) product. For this reason, feed for DR processes must be very high in iron content and low in gangue. Around three-quarters of the world's DRI output is produced by steel companies' own captive plants as feed for their electric furnaces, but there is also a growing merchant trade, increasing the market for DR-grade feed ore.

The need to rapidly expand production is leading to the exploitation of a wider range of ore grades around the world, and greater generation of pellet feed fines, particularly in Brazil. Pellet feed is estimated to have made up around 7% of global iron ore exports in 2007, up from 5% in 2005.

Magnetite pellet feed has a significant advantage over hematite, as oxidation of the magnetite can provide 60% of the thermal energy needed for pelletisation, reducing energy costs and CO_2 emissions. High-purity magnetite concentrates are thus a premium feedstock for the manufacture of DRI pellets.

World Direct Reduced Iron Production

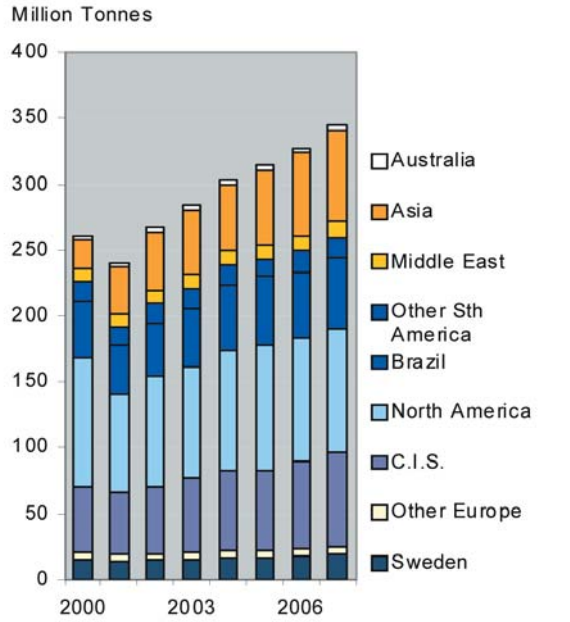
(based on Midrex and IISI data. 2007 estimated)



Source: Metalytics

World Production of Iron Ore Pellets

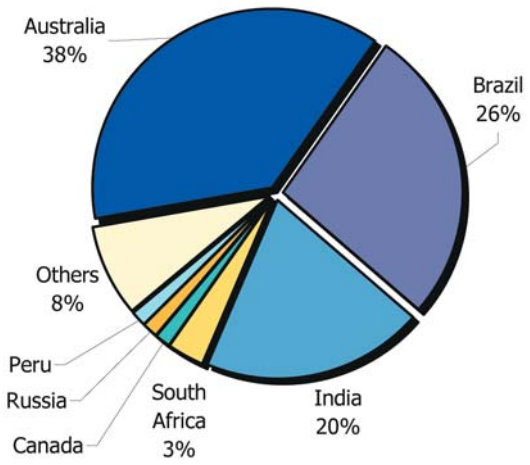
2007 estimated



Source: Metalytics

China's Iron Ore Import Sources

(estimated figures for 2007)



Source: Metalytics

There are only two pelletising operations in Australia, although in recent times, some pellet projects have been contemplated for the new magnetite iron ore projects in the Mid-West and Southern regions of Western Australia. The economics have come down in favour of shipping concentrates to pellet plants in Asia.

Iron Ore Trade

International iron ore trade supplies two major markets – Europe and Asia. The European market is dominated by Brazil's Vale, with other key suppliers being Sweden's LKAB, South Africa's Kumba and Assmang, and Mauritania's SNIM. In the Asian market, Australian and Indian producers have the geographical advantage, putting Rio Tinto and BHP Billiton at the forefront, but Vale also competes strongly there, on the basis of the high quality of its ore products, and its capability of supplying large tonnages.

China became the world's largest importer of iron ore in 2003, and its demand is now so strong that it draws on sources from all around the world. More than 25 countries provided ore in 2007. Total Chinese imports have risen from 70Mt in 2000 to more than 380Mt in 2007, this increase alone being equivalent to more than double the total annual imports of iron ore into Western Europe.

Japan has fewer sources, and relies heavily on Australian ore. Brazil is its largest source of pellets, followed by India. Since 2000, Japan typically imported 130-135Mtpa, but the level increased in 2007 to about 139Mt.

The other major Asian markets are South Korea and Taiwan, estimated at 47Mt and 16Mt respectively in 2007. Australia dominates in South Korea with around 67% market share, Brazil taking around 20%. Australia also supplies two-thirds of the market in Taiwan, while Brazil accounts for most of the remainder.

Total world iron ore trade in 2007 was around 850Mt, with the seaborne component being 785Mt. Asia accounted for 600Mt, while Western Europe imported around 140Mt (125Mt seaborne).

DRI-based steelmaking based on low energy prices in the Middle East and North Africa is a growing market for pellets – the region's pellet imports are estimated to have exceeded 20Mt in 2007.

The international iron ore market has been tight or in deficit since 2003. Following a severe downturn in 2001, when steel prices had collapsed to 20-year lows, the world steel industry began a strong recovery in 2002. Since then, iron ore supply has lagged demand.

China displaced Japan as Australia's largest iron ore market during 2004, and now takes more than half of Australian iron ore exports. China is also Brazil's biggest market, having surpassed

Japan in 2001 and Germany in 2006.

The Big Three companies – Vale, Rio Tinto, and BHP Billiton – control over 70% of seaborne iron ore exports. The only company currently planning to build production to similar levels is Australia's Fortescue Metals Group (FMG), which is aiming to start shipping in the first half of 2008. However, Vale, Rio Tinto and BHPB have each announced major expansion targets.

Iron Ore Pricing

Iron ore is priced according to its iron content (%Fe) and other quality characteristics, and usually on an FOB (free on board) basis – that is, loaded onto a ship at the despatch port. The buyer is then responsible for freight and other costs to the destination. Prices are set in US cents per metric ton unit (US¢/mtu), which is the price paid per tonne for each 1%Fe that the ore grades.

Most iron ore is traded under long-term contracts, and traditionally, the prices for these are negotiated annually between the Big Three iron ore producers and leading steel mills in Asia and Europe. Once an agreement is reached between two of the parties, usually for fines, the price movement sets a precedent for other settlements.

In the Asian market, prices are set for each Japanese Fiscal Year (JFY) which starts on 1 April. In former times, prices for the various Australian products into Asia were rigidly derived as discounts or premiums based on the "benchmark" prices settled between the Japanese Steel Mills (bargaining collectively) and BHP or Hamersley for Brockman lump and fines products. Although pricing arrangements have now become more complex, this is still a convenient convention to represent the general levels of iron ore prices.

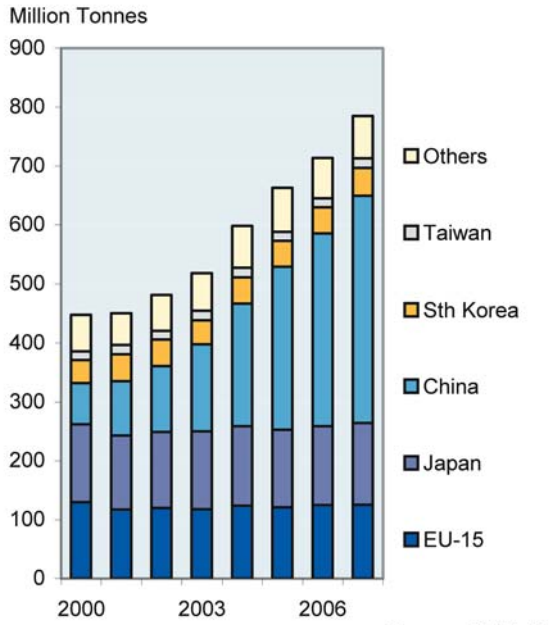
Since 2002, when steelmakers managed to win a small 2.4% price concession in the wake of a collapse in steel prices, there has been unprecedented surge in benchmark prices driven by demand – starting with a 9% increase in 2003, 18.6% in 2004 and a record 71.5% in 2005. The follow-up 19% rise in 2006 signalled that a new pricing regime had taken hold. Chinese steel mills were then keen to take the lead in the 2007 negotiations, and agreed to an early 9.5% increase as spot prices had already risen by 11% from the start of the contract year.

Driving prices upward are:

- Strong growth in Chinese steel production and iron ore imports
- Domestic demand in India putting downward pressure on exports
- Disruptions in supply from weather events such as cyclones and other operational issues
- New export supply becoming available only in limited quantities
- High Chinese domestic iron ore production costs and prices
- Solid demand from traditional markets Japan and Europe

World Seaborne Trade by Market

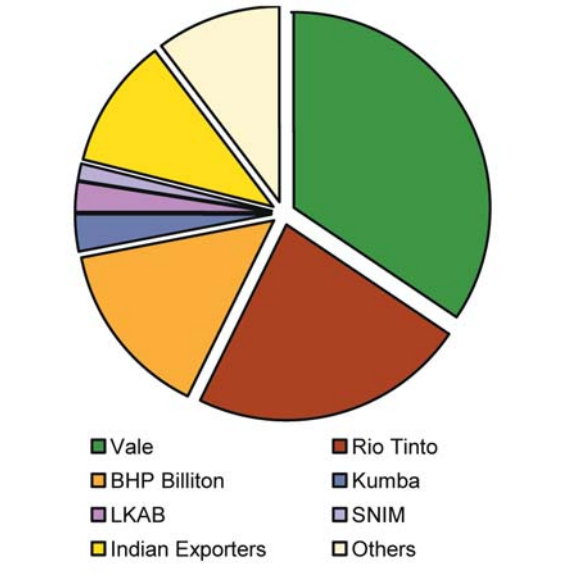
(based on imports – 2007 estimated)



Source: Metalytics

Company Share of Seaborne Exports

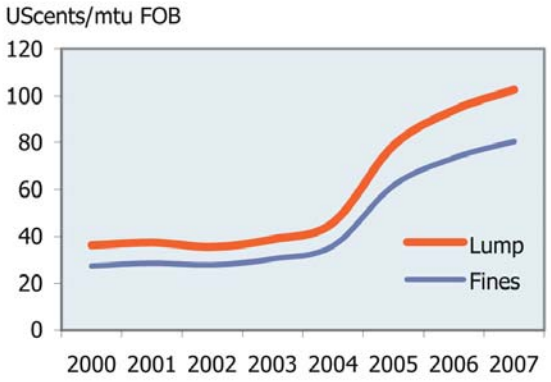
(based on 2007 estimated Managed/Controlled exports)



Source: Metalytics

Benchmark Prices for Australian Ores

(Asian Market prices for JFY2000 -2007)



Source: Metalytics

The price of fines is used as a reference for other ore products. Lump ore commands a price premium over fines, since it can be charged directly into blast furnaces without agglomeration. Similarly, pellets are produced to have superior performance characteristics and are priced at a premium to fines and natural lumps. DR-grade pellets attract a further premium. Concentrates and pellet feed generally are priced at a discount to high-grade fines, as their use is more restricted.

Product prices also incorporate discounts and penalties relating to the concentrations of critical impurities such as phosphorus, certain base metals, silica, alumina and alkalis. Some impurities are deleterious to blast furnace operation, and others to steel quality.

Brazilian ores sold in Asia have lower FOB prices than Australian ores, to partially compensate for longer transport distances and higher freight costs.

High grade ores contain about 64% Fe, so multiplying the prices charted above by 0.64 gives a price in dollars per tonne (on a dry basis).

Escalating ocean freight costs in recent years have caused the differential in landed prices between Australian and Brazilian ore to widen markedly, particularly for ore shipped on spot-chartered vessels. Australian producers have moved to selling more ore on the Chinese import spot market, where prices equivalent to three times that of benchmark prices were being realised in late 2007.

Alternative pricing mechanisms are being proposed to track the market more closely than the annual benchmark system.

For JFY2008, the market is expecting another major upward surge in iron ore prices to redress the huge spread between freight-adjusted contract prices and the spot market. Increases in the 30%-50% range have been widely forecast.

Strong demand growth over the next two decades will require that global iron ore prices are sustained at levels more than sufficient to support the continuous development of matching new supply.

This Overview was commissioned by the Directors of Iron Road Limited specifically for inclusion in this Prospectus. It was prepared by Metalytics Pty Limited (ABN 30 115 924 233), an independent Resource Sector Economics consultancy, using public domain, industry and statistical data sources. Forward-looking statements in this Overview, including but not limited to expectations regarding future prices and markets, reflect current views at the time of writing (January 2008), but are based on assumptions and forecasts that are subject to significant degrees of economic and other uncertainties. The data for 2007 are mostly estimates pending the release of definitive statistics.

Malcolm Castle
Consulting Geologist
Agricola Mining Consultants Pty Ltd
P.O. Box 473, South Perth, WA 6951
Phone: 08 9368 4923
Fax: 08 9368 4932
Mobile: 04 1234 7511
Email: mjcastle@optusnet.com.au
ABN: 84 274 218 871

1 March 2007
The Directors
Iron Road Limited
Suite 2, 35-37 Havelock Street
West Perth WA 6005

Dear Sirs,
Re:

INDEPENDENT GEOLOGIST'S REPORT ON THE MINERAL PROPERTIES of IRON ROAD LIMITED

I have been commissioned by Iron Road Limited (ACN 128 698 108) ("Iron Road") to provide an independent technical report on the company's projects in South Australia and Western Australia. This report is to be included in a Prospectus to be lodged by Iron Road with the Australian Securities and Investments Commission ("ASIC"), offering for subscription a maximum of 25 million Shares at an issue price of $0.20 per share (the Prospectus), to raise up to a maximum of $5 million (before costs associated with the issue) on or about 18 April 2008. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by Iron Road.

This is not an independent evaluation report, and as such, serves only to comment on the geological setting and proposed exploration programs on the properties, I have not been asked to comment on the potential economic value or financial considerations pertaining to the value of Shares or assets held by Iron Road in relation to these properties.

Iron Road is focusing on the Warramboo Iron Ore Project, located within Exploration Licence 3699 on the northern Eyre Peninsula SA, and covers extensive Archaean iron formations which occur as coarse grained magnetite-bearing gneisses. The cumulative strike length of these iron formations is at least 50 kilometres.

The proposed exploration and development programs are consistent with good industry and technical practice for the evaluation of the mineral potential of the areas.

Details in respect to the legal status and tenure of the tenements comprising the Projects have not been considered in this report but are outlined in the Independent Solicitors Report in Section 8 of the Prospectus.

DECLARATIONS

Relevant codes and guidelines

This report has been prepared in accordance with the rules and guidelines issued by such bodies as the ASIC and ASX Limited ("ASX"), which pertain to Independent Expert Reports. Where mineral resources have been referred to in this Report, the classifications are consistent with the Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2004. The report complies with section 716(2) of the Corporations Act 2001 where consent is required if unpublished statements have been attributed to third parties.

Under the definition provided by the ASX and in the JORC Code, these properties are classified as 'exploration projects', which are inherently speculative in nature. The properties are considered to be sufficiently prospective, subject to varying degrees of

risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Iron Road.

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was provided to Iron Road, along with a written request to identify any material errors or omissions prior to lodgement.

The independent technical report has been compiled based on information available up to and including the date of this report. Consent has been given for the distribution of this report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM, MSME

Malcolm Castle has over 40 years experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical Audits in many countries.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"), Member of the Society for Metallurgy and Mining Engineering ("MSME") and has the appropriate relevant qualifications, experience, competence and independence to be considered as a "Qualified Person" as defined in the National Instrument 43–101, Canada as well as an "Expert" and "Competent Person" the Australian Valmin and JORC Codes, respectively and under National Instrument 43-101 in Canada.

Independence

I am not, nor intend to be a director, officer or other direct employee of Iron Road and have no material interest in the project or Iron Road. The relationship with Iron Road is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully

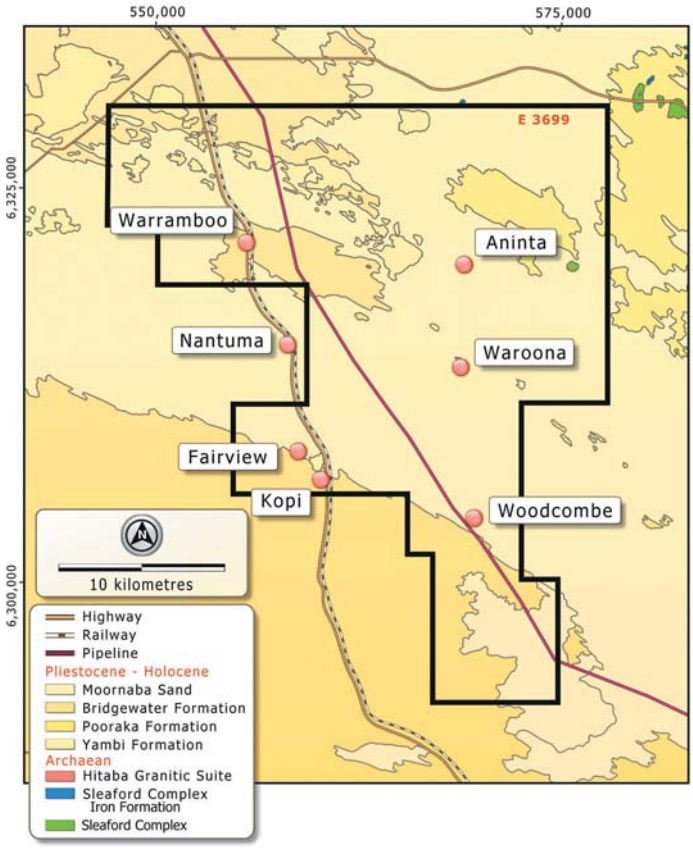
Malcolm Castle
B.Sc.(Hons) MAusIMM, MSME
GCertAppFin (Sec Inst)

WARRAMBOO IRON PROJECT
LOCATION AND TENURE

The Warramboo Iron Project area is secured by Exploration Licence 3699 with an area of 663 sq km. Iron Road holds mining title to the Warramboo Iron Project area of

The project area is just south of the sealed Eyre Highway connecting Adelaide and Perth, and the sealed Tod Highway, which connects Kyancutta with Port Lincoln, runs through the area. The area is largely cleared of vegetation for crop growing and is either flat or gently undulating with a maximum relief of about 40 metres.

The small township of Warramboo has a population of less than 50. The town of Wudinna, located 25 kilometres to the north of Warramboo, has a population of 650 and normal facilities and services for a regional centre of this size. Regular commuter air services are available from Adelaide to Wudinna. The township of Warramboo is 175 kilometres north of Port Lincoln and 185 kilometres west of Whyalla. Both Port Lincoln and Thevenard offer port facilities.



GAWLER CRATON

The Gawler Craton is an extensive region of Archaean to Mesoproterozoic crystalline basement underlying approximately 440 000 square kilometres of central South Australia. It has been defined as that region of crystalline basement which has not been substantially deformed or remobilised, except for minor epirogenic movements, since 1450 Ma. Much of the area is covered by thin platformal sediments and regoliths of Neoproterozoic to Cainozoic age. The boundaries of the craton are defined to the northeast, northwest and west by faulted margins and thick Neoproterozoic and Phanerozoic sedimentary basins. To the east and southeast the Torrens Hinge Zone defines the margin, adjacent to the western limit of the Adelaide Fold Belt. The southern boundary is coincident with the edge of the continental shelf. The craton boundary is clearly visible on the high resolution aeromagnetic image

Crust forming and tectonothermal events occurred during the late Archaean to earliest Proterozoic (Sleafordian Orogeny, 2440 Ma), Paleoproterozoic (Kimban Orogeny, 1850-1700 Ma) and Mesoproterozoic (Kararan Orogeny 1670-1540 Ma).

ARCHAEAN

Several major rock units were formed during the late Archaean, the Sleaford Complex, exposed in the southern Gawler Craton and the Mulgathing Complex, exposed in the western and northern Gawler Craton. Both consist of ortho- and paragneiss variably metamorphosed to granulite facies. The Sleaford Complex, comprises the Carnot Gneisses, Wangary Gneiss and the Dutton Suite. The Carnot Gneisses are composed of garnet-quartz-feldspar ± cordierite paragneiss, banded iron formation, calcsilicate, quartz-feldsparorthogneiss, hypersthene gneiss and tholeiitic meta-basalt/meta-gabbro. High crustal level granitoids of the Dutton Suite, including the Coulta Granodiorite, Kiana Granite and Whidbey Granite, were intruded into Wangary Gneiss, a lower grade equivalent of the Carnot Gneisses, during the Sleafordian Orogeny. The Mulgathing Complex contains banded iron formation, chert, carbonate, calcsilicate, quartzite and aluminous metasediments of the Christie Gneiss and meta-igneous units of the Kenella Gneiss. The Lake Harris Komatiite (>2500Ma), Hopeful Hill Basalt, South Lake Gabbro, Skuse Hill Pyroxenite and Aristarchus Peridotite also form part of the Mulgathing Complex. Gold mineralisation occurs in cordierite bearing metasediments in the northern part of the Craton.

PALEOPROTEROZOIC

In the southern Gawler Craton the Miltalie Gneiss (2000 Ma) forms a migmatitic grey granitic gneiss which is intrusive into the

Sleaford complex and overlain by the Hutchison Group (2000-1850 Ma). The Hutchison Group metasediments are composed of a mixed sequence of chemical and clastic sediments and extrusive basic and acid volcanics, including the Warrow Quartzite, Katunga Dolomite, Lower Middleback Jaspilite, Burrawing Amphibolite, Cook Gap Schist, Upper Middleback Jaspilite, Yadnarie Schist and Bosanquet Formation (1850 Ma). The Myola Volcanics (1790 Ma) and Broadview Schist comprise deformed acid volcanics, fine grained gneisses, schists and quartzites metamorphosed to upper greenschist to lower amphibolite facies. They are slightly younger, outcropping east of the Middleback Range. In the northeastern Eyre Peninsula the McGregor Volcanics (1740 Ma) and Moonabie Formation consist of subaerial rhyolite to dacite with minor andesite-basalt, volcaniclastic debris and lithic rich sediments. Metasediments and metavolcanics of the Wallaroo Group (1760-1740 Ma) occur on the northern Yorke Peninsula, these include the Doora Metasediments, Wandearah Metasediments, Moonta Porphyry, Wardang Volcanics and Willamulka Volcanics. Younger alteration and mineralisation associated with Hiltaba Suite granite is assigned to the Oorlano Metasomatite. A striking north-south aeromagnetic anomaly on the Coffin Bay Peninsula corresponds to disseminated magnetite bearing schists of the Price Metasediments (<1770 Ma) which are of similar age to the Wallaroo Group .

In the Tarcoola-Kingoonya region the Wilgena Hill Jaspilite overlies ortho and paragneiss of the Archaean Mulgathing Complex. This iron formation is distinctively banded and contains subordinate amounts of interlayered carbonate, calc-silicate, quartzite. The jaspilite is overlain by a number of restricted, fault bounded, intracratonic basins. The Eba Formation contains pebbles of Wilgena Hill Jaspilite and forms a sequence of conglomerate, quartzite, siltstone, shale, sandstone and interbedded amygdaloidal basalt. This is unconformably overlain by the Labyrinth Formation a sequence of chert and pebbly sandstone to bouldery conglomerate with a thin interbedded rhyolite (1720 Ma). The Tarcoola Formation is over 2km thick with a basal conglomerate, quartzite and overlying carbonaceous shale unit interbedded with andesitic to dacitic tuffs (1660 Ma) and basaltic sills. Gold and base metal mineralisation occurs within quartz veins associated with Hiltaba suite or GawlerRange Volcanics intrusives. A range of intrusives occur in the Paleoproterozoic. In the southern Gawler Craton the Donington Suite (1850 Ma) intrudes the Hutchison Group during D1 of the Kimban Orogeny. Quartz gabbronorite, megacrystic granite gneiss, charnockite, granodiorite gneiss and granite gneiss are common lithologies within this suite. The mafic Jusseiu Dykes were contemporaneous with this intrusion. Components of the Minbrie Gneiss on the central-northern Eyre Peninsula are thought to be equivalents of the Donington Suite. A variety of granitic intrusives including the Middlecamp (1730 Ma) and Carpa Granites, post date the Donington Suite and were intruded during D2 of the Kimban orogeny.

The Moody Suite (1700 Ma) is a series of syn D3 intrusions consisting of monzonite, adamellite, microgranite and leucogranite. Later intrusives include deformed multiphase plutons of the Ifould Complex (1650-1540 Ma) that occur in the western Gawler Craton and deformed comagmatic granitoids of the St Peters Suite (1630-1620 Ma)

MESOPROTEROZOIC

The Gawler Range Volcanics (1590 Ma) form a huge felsic volcanic province, in the central Gawler Craton, with over 25 000 km2 of preserved outcrop. They are divided into two broad groups, an upper and lower unit. The lower unit is more varied, gently to steeply tilted and contains dacite-rhyodacite-rhyolite, ignimbrites and flows with thick, interlayered sequences of basaltic lavas whereas the upper unit contains thick, subhorizontal, porphyritic dacite sheets predominantely ignimbritic in origin.

The extensive Hiltaba Suite (1600-1585 Ma) is comagmatic with the Gawler Range Volcanics and is dominated by felsic granite plutons. Outcrop is most abundant in the central Gawler Craton particularly on the western and south-western margins of the Gawler Range Volcanics. This unit is characteristically pink due to hematite dusting of the feldspar crystals. The Hiltaba Suite and Gawler Range Volcanics were derived from partial digestion of the crust by mantle plumes and are the source for widespread Au-Cu-U mineralisation within the Gawler Craton.

The Corunna Conglomerate unconformably overlies the Moonabie Formation and McGregor Volcanics and is intruded by dykes of the Gawler Range Volcanics. The basal conglomerate contains abundant basement clasts fining upwards to thick carbonaceous siltstone and sandstone. In the Kingoonya area the Mentor Formation, consisting of chloritic and sericitic mudstone, altered and tuffaceous granite breccia and tuffaceous rhyolite, overlies the Labyrinth Formation. This unit is considered contemporaneous with extrusion of the Gawler Range Volcanics and prospective for Au-Cu-U mineralisation.

The last known magmatic event in the Gawler Craton is the intrusion of the Spilsby Suite granites (1510 Ma). Outcrop is restricted to islands of the Sir Joseph Banks Group in the Spencer Gulf between Eyre and Yorke Peninsulas.

MAGNETITE-RICH METASOMATITE DEPOSITS OF THE GAWLER CRATON

There is a zone extending for some 600-700 km along the eastern margin of the Gawler Craton, which includes large

accumulations of iron oxide generally accepted to be of hydrothermal origin. The most well known example is Olympic Dam, which contains significant volumes of haematite-rich rock. The average grade for the deposit is reported at 26%Fe. The iron-rich rocks are not considered to be an economic resource.

Other large iron-oxide accumulations include Acropolis, Emmie Bluff, Oak Dam all lying beneath several hundred metres of younger cover. In the Mount Woods Inlier large accumulations of magnetite-rich metasomatite include Manxman, best intersection DD88EN 43 which intersected 402 m at ~34% Fe from 119 to 521 m, and in the northern Yorke Peninsula at the Agery prospect where intervals of massive black magnetite were reported below a deeply weathered basement. The polymetallic nature of these rocks, ie anomalous Cu, Au, Ag, U, REE may increase their prospectivity for iron ore. Reports on the recently discovered Cu-Au prospect at Prominent Hill discuss a prominent gravity anomaly thought to be sourced by iron-rich rocks.

Iron-rich magmatic rock - These rock types are currently considered to be relatively insignificant as an iron ore resource in South Australia. Iron-bearing igneous rocks are known to occur within the Giles Complex of the Musgrave Block as small, yet rich segregations. Magnetite-ilmenite segregations have been reported in drill holes within the Malbooma Anorthosite Complex. Drilling has confirmed the presence of ultramafic rocks in the western parts of the Gawler Craton including the circular, strongly layered ultramafic complex of Yumbarra Prospect which shows a form comparable to a major ultramafic intrusion, and prospective for a host of metals including iron ore. There are many other reported occurrences of ultramafic rocks from the western portion of the Gawler Craton.

Iron-rich sediments - Their major iron ore potential relates to the economic recovery of ilmenite an Fe-Ti mineral, from mineral sands particularly in the Murray Basin.

GEOLOGICAL SETTING OF THE WARRAMBOO PROJECT

Regionally, bedrock in the Warramboo area consists of Archaean gneiss of the Sleaford Complex. This is part of the oldest basement to the Gawler Craton. These sequences were metamorphosed to upper amphibolite/granulite facies during the Sleafordian Orogeny. Metamorphism has had the effect of coarsening of mineral grain size and the development of gneissic textures in the local rocks.

The area was also metamorphosed during the Kimban Orogeny. The effect of the Kimban event in the Warramboo area is slight retrograde metamorphism evidenced by mineral assemblages which include chlorite and sericite. Large scale tectonic and hydrothermal activity occurred during the Gawler-Hiltaba igneous event however little evidence of this event is present in the immediate Warramboo area.

A local bedrock interpretation of the main Warramboo anomaly area was compiled using the drill logs and airborne magnetic data. The interpretation shows two main bedrock types in the area. They are quartz-feldspar-biotite gneiss enveloping magnetite gneiss zones consisting mainly of magnetite-quartzfeldspar- garnet-biotite gneiss. Other minor bedrock lithologies present in the drillholes include calcite marble and amphibole-bearing gneiss.

Many variables other than magnetite grade influence the intensity of magnetic anomalies. However in the absence of other information magnetic intensity had to be used to select areas for ground geophysics and drilling. Zones of highest magnetic intensity are also highlighted on Figure x. From the geological interpretation it is apparent that the magnetite gneiss layers vary in thickness both along strike and down-dip, possibly a result of or stretching during granulite facies metamorphism.

REGOLITH

A zone of weathered bedrock and thin sedimentary cover, or regolith, is superimposed on the basement gneiss. Surficial sediments include aeolian sand and thin sheets of unconsolidated to silcretised alluvium. On the Eyre Peninsula a zone of up to four metres of calcrete is developed either at or within one metre of the surface. The aeolian sand dunes reach a maximum thickness of about 10 metres and occur as linear features trending at 120 degrees.

The weathered bedrock profile is a typical lateritic profile modified by later arid climate onset. Where a complete lateritic profile is present it consists of an uppermost ferruginous pisolite or duricrust cap overlying a mottled zone. Below this a pallid kaolin-rich interval occurs before passing into saprolite and saprock until fresh rock is reached. The vertical depth of regolith encountered in the reverse circulation drilling completed in 2000 varied from about 13 to 50 metres.

During weathering processes, most silicate minerals weather to quartz or clay. Deep in the regolith magnetite becomes oxidised to form martite and near the surface is hydrated to limonite and goethite. Part of the martite zone will be metallurgically recoverable if magnetite destruction is incomplete and therefore the depth to the metallurgical top of any mineralised zone may be less than the absolute depth of weathering.

PREVIOUS EXPLORATION

The Warramboo magnetite gneisses have never been subjected to a sustained exploration program for iron ore. The most detailed work was carried out by South Australian Department of Minerals and Energy (SADME) in 1961, but this work was halted prematurely and did not test all target areas. SADME's exploration was conducted on the Warramboo cluster of anomalies and no iron ore exploration has been completed on the Kopi or Hambidge clusters located further south.

SADME IRON ORE EXPLORATION - 1960

An airborne magnetic survey by the Bureau of Mineral Resources (BMR) in 1953-55 located anomalies and defined targets of interest. This was followed by a 90 metre flying height, 400 metre line spaced survey carried out by Hunting in March 1960 and was restricted to the area of the Warramboo cluster of anomalies. Data from this second airborne survey aided planning of SADME Warramboo geophysical activities.

Follow up work included detailed ground magnetics and gravity surveys and interpretation of resulting data. Readings for the ground magnetic survey were taken at approximately 60 metre intervals on lines approximately 300 metres apart. The ground magnetic contours showed similar patterns to the airborne magnetics, but revealed more local peaks both along and across strike. The average maximum depth to magnetic source was estimated at 60 metres.

Gravity surveys were also carried out on the approximate 300 by 60 metre grid pattern. There is a marked regional gravity gradient increasing from north to south and from west to east. The gravity and magnetic anomalies defined by the SADME surveys tend to coincide both at a general level and in detail and are believed to be caused by anomalous concentrations of the high-density magnetic mineral, magnetite.

While ground magnetic surveying was underway, SADME commenced a 4000 metre drilling program to evaluate some of the anomalies. Holes were drilled by four different techniques between May and November 1961. Four iron rich members containing individual iron rich bands were intersected and the magnetite-bearing units were interpreted to dip south at 45 degrees and to be broken into several sections by remobilisation during metamorphism. The interpreted southerly dips were confirmed by a 12 metre deep prospecting shaft.

POST-1960 COMPANY EXPLORATION

Several companies explored the area intermittently from 1970 to the time Adelaide Resources Limited (Adelaide Resources) applied for Exploration Licence 2846 (containing the later Exploration Licence EL 3699). Targeted commodities included uranium in Tertiary palaeochannel settings and gold and base metals of Olympic Dam style. In some cases drill holes targeted the magnetic anomalies and intersected iron-bearing units. Assay data is incomplete for iron as the element was either not determined or was analysed using an inappropriate assay technique, however a number of significant results were returned including 20 metres at 25% Fe in the Kopi area and 44 metres at 14.5% Fe in the Hambidge area.

An aeromagnetic survey was flown in 1994 covered the majority of the magnetic anomalies and was completed at a line spacing of 250 metres at a height of 60 metres. The total strike length of magnetic anomalies within the project area that are likely to be sourced by magnetite-bearing gneiss is well in excess of 50 kilometres

EXPLORATION BY ADELAIDE RESOURCES LIMITED - 1999 TO 2000

In 1999 and 2000, with the co-operation of the South Australian Government, Adelaide Resources conducted ground magnetic and gravity surveys over restricted areas at the prospect, drilled six reverse circulation percussion holes totalling 945 metres and completed laboratory metallurgical studies. The objective of this program was to demonstrate that potentially economic iron grades were present and, from first stage metallurgical testwork on drill samples, that the material could be processed to produce a magnetite concentrate with premium chemical specifications suitable for the DRI and other markets.

GEOPHYSICAL SURVEYING AND MODELLING

Data from the 1994 airborne magnetic survey was reprocessed to produce magnetic image and contour plans of the Warramboo Iron Project area. Four traverses of ground magnetics and gravity were completed over several of the airborne magnetic features and interpretation and modelling of the data suggested that magnetite-bearing bodies of potentially significant width and grade could be sourcing the anomalies. A number of these targets had not been drill tested during SADME's 1961 drilling program.

In early 2000 small grids were established to extend the geophysical coverage around two of the single traverses that had crossed magnetic features to have a good chance of presenting drill targets with significant width/grade parameters.

REVERSE CIRCULATION DRILLING AND SAMPLE COLLECTION

In April 2000 a program of six reverse circulation percussion drillholes for 945 metres was completed. All holes were declined at 60° from the horizontal and drilled towards local grid north to intersect the modelled southerly dipping magnetite gneiss units. Four holes were drilled on one traverse at the Murphy Target, while single drillholes tested the Dolphin and Collins Targets.

The 6 metre composites were analysed using ICP-OES methods with iron and an extensive range of elements determined. One metre split samples from intervals containing significant concentrations of magnetite were assayed using XRF Fusion methods giving precise results for iron and a range of other components of significance to the iron ore industry. Metallurgical composite samples were prepared from the split drill samples. The intervals of each of the metallurgical composites were chosen using magnetic susceptibility and assay data to constrain the limits of mineralisation, and using other recorded characteristics such as degree of weathering and variations in mineralogy to set inter-zone sample intervals. A selection of 18 metallurgical composite samples, each representing intervals of 7 to 12 metres, were taken from the upper and lower mineralised zones at the Murphy and Dolphin targets.

The metallurgical composite samples were prepared by first crushing the split drill samples to 100% <2mm, then riffling to provide sub-samples of approximately 1kilogram. These were then composited by blending together a set volume from each 1 metre sub-sample.

RESULTS AND GEOLOGICAL INTERPRETATION

At Murphy Target the drilling intersected three magnetite gneiss units. Drillhole WMB-001 encountered an upper magnetite-bearing zone of 41 metres at 24.2% Fe, followed by 14 metres of non-mineralised gneiss before passing into a lower mineralised zone of 53 metres at 21.6% Fe (iron determined by XRF Fusion method). These two magnetite-bearing units were also intersected in holes WMB-004 and WMB-005 drilled down and up-dip from WMB-001. Drillhole WMB-006 intersected a third thin magnetite unit in the footwall of the main mineralisation. The regolith at Murphy is not of uniform thickness with depths to fresh rock greater in the south (about 50 metres) than the north (about 20 metres). High iron concentrations occur in the saprolite developed from magnetite gneiss parent however the iron is contained in non-magnetic and hydrated phases dominated by goethite. Martite was observed close to the regolith-fresh rock interface but only persists in the lower 5 or so metres of the regolith. The variation in the thickness of the magnetite gneiss units interpreted from the drilling at Murphy Target is thought to be the result of pinch and swell structures which occurred during deformation associated with the Sleafordian Orogeny. The single drillhole that tested the Dolphin Target passed through unconsolidated cover sediments before intersecting fresh rock at relatively shallow depths. The lateritic weathered bedrock horizon appears to have been completely stripped from the Dolphin area, an interpretation supported by the northerly decreasing thickness of the regolith at the Murphy Target located to the south east of Dolphin.

Two magnetite gneiss units of significance were intersected at Dolphin including an upper zone of 24 metres at 17.8% Fe and a lower zone of 18 metres at 19.8% Fe (iron determined by XRF Fusion method). Due to the stripped lateritic profile it is likely that magnetite persists to within about 13 metres of the surface. The magnetite gneiss units at Dolphin are also likely to pinch and swell like those at Murphy however further drill testing on the section would be required to confirm this.

The Collins Target returned less encouraging results. The single drillhole did not encounter fresh rock until a vertical depth of around 47 metres. Wide zones of magnetite-bearing gneiss dominate fresh rock lithologies however the iron grade is relatively low with intersections of 48 metres at 10.8% Fe and 78 metres at 11.3% Fe. It remains possible that higher grade magnetite gneiss is present along the strike of the Collins Target.

PETROLOGY

Petrological examination of drill chips shows the magnetite gneiss to be an irregularly layered, granulose metamorphic rock which

may be called a microgneiss with an incipiently hornfelsic texture. Mineralogically the magnetite gneiss consists predominantly of quartz-feldspar-magnetite with subordinate amounts of hematite, garnet, biotite, sericite, chlorite, cordierite and sillimanite. Small accessory grains of apatite and zircon are widespread. The contained iron oxides form an integral part of the host metamorphic rock. Up to 10% of the magnetite grains have a size of about 0.2 mm and 90% a size of plus 0.5 mm. Clusters commonly between 2 to 5 mm occur in local patches and bands.

Most magnetite grains have irregular microfissure/microfracture networks but deformation has not caused granulation or brecciation at any scale. Magnetite grains also often have fairly continuous rims of garnet or cordierite. These rims are between 0.05 and 0.3 mm thick but do not penetrate into the magnetite. Silicate inclusions within magnetite are variably of quartz, feldspar, garnet and cordierite and form less than 5% of a given grain. Hematite inclusions within magnetite generally constitute less than 5% of a given magnetite host grain, however this figure is higher in partially weathered samples where supergene hematite (martite) is observed to replace magnetite along the network of microfractures. Isolated grains of primary metamorphic hematite are also widespread but are generally present in substantially lower quantities than magnetite. Overall hematite abundance is about 3%. The hematite has a similar grain size range to the magnetite and occurs either as simple composites with magnetite or as separate grains. Hematite is also microfractured and may exhibit garnet rims like magnetite, but is generally observed to be free of silicate inclusions. The relatively coarse grainsize of the magnetite, its smooth sharp and simple boundaries against the enclosing host silicates, and the network of microfractures that cut the grains all have positive implications for beneficiation. Non-mineralised host gneiss includes quartz-feldsparbiotite and amphibole-feldspar-pyroxene lithologies. Minor calcite marble was intersected in WMB-001.

EXPLORATION TARGET POTENTIAL

The very limited drilling completed to date has been sufficient to demonstrate that units of magnetite gneiss of encouraging width and grade are present at the prospect. However a substantially increased density of drilling will be required before an inferred resource can be calculated.

On the basis of the aeromagnetic data the gross strike length of the anomalies in the project area is at least 50 kilometres. While the magnetite gneiss units are interpreted to pinch and swell at Murphy and probably do the same at Dolphin and elsewhere at Warramboo, the cumulative average horizontal width of the mineralisation is about 75 metres. The depth to the top of the magnetite zones varies from a minimum of 13 metres at Dolphin to a maximum of 40 metres at Murphy and averages about 25 metres.

Many variables (such as magnetite concentration, remanence, depth to top, body dip, body strike, body width and number of bodies) affect magnetic intensity and no consistent relationship between anomaly intensity and in-ground magnetite concentration exists. As a result it is not possible to confidently use the magnetic data to determine the location of higher grade zones. The iron grades in the very few holes at Murphy and Dolphin contain magnetite content in the order of 25%.

PROPOSED EXPLORATION BUDGET

The proposed budget for the advancement of the project includes 8,000 metres of RC drilling in years 1 and 2, 2,500 metres of diamond drilling in year 1 and 2,000 metres of diamond drilling in year 2. Aeromagnetic and ground geophysical surveys are included in both years. It is anticipated that this program of work will bring the project to the commencement of feasibility work.

WARRAMBOO EXPLORATION BUDGET - SUMMARY

	Yr 1	Yr2	TOTAL
Data review	42,000	31,000	73,000
Field Surveys	28,000	22,000	50,000
Geophysics	28,000	19,000	47,000
Drilling	1,139,000	1,070,000	2,209,000
TOTAL	1,237,000	1,142,000	2,379,000

COMMERCIAL OPPORTUNITY FOR MAGNETITE CONCENTRATES

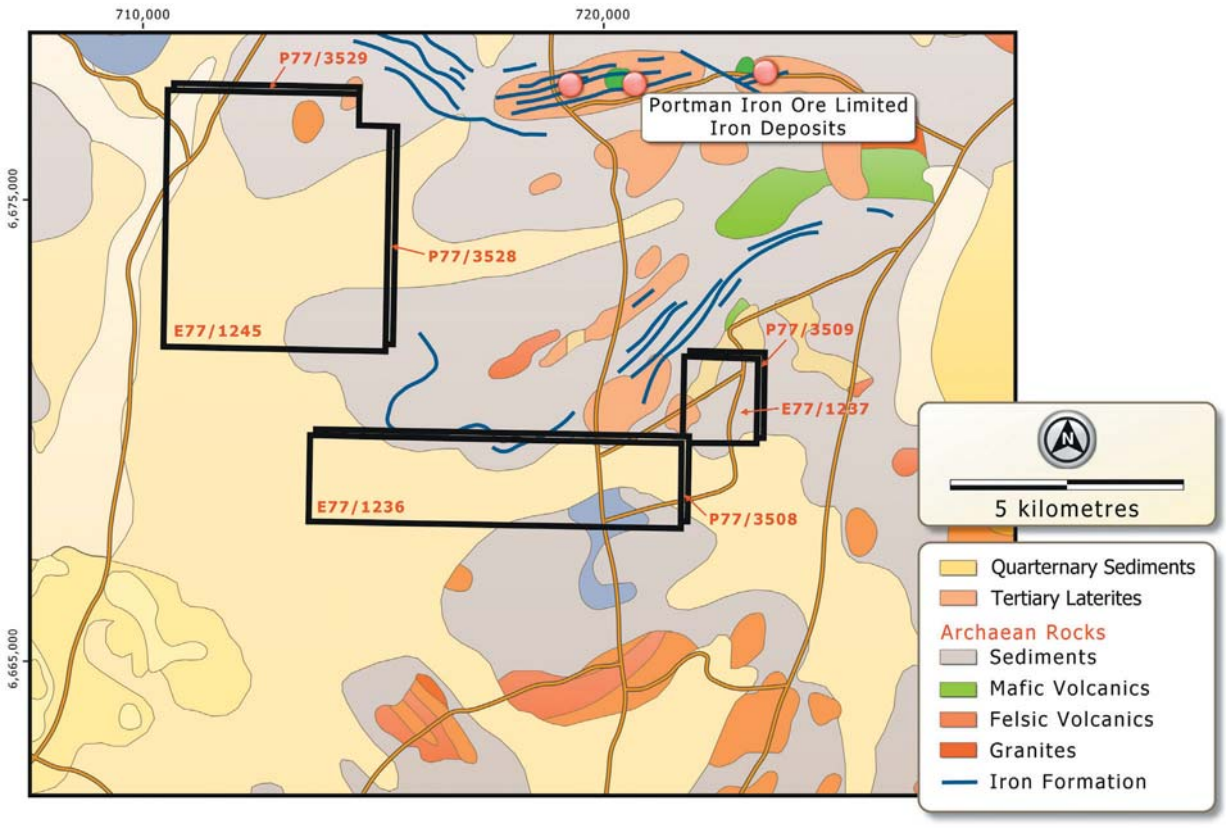
Typically iron ore deposits containing magnetite need significant up-grading before they can be used to make iron either via the blast furnace or via a direct reduction route. The ore generally has an iron content of between 25 – 35%, and needs to be upgraded to 66% plus Fe product.

The process of beneficiation of magnetite involves the ore being ground to a very fine size. This makes the material unsuitable as a direct feed to any commercial ironmaking process without some form of prior agglomeration. Such agglomeration is generally via a process to produce fired pellets suitable for blast furnace ironmaking and/or direct reduction (DR). The later use also has a requirement for higher purity Fe material which generally is no problem with the starter material being magnetite. The DR quality pellet demands a premium in the market. Pellet plants are generally set up local to the raw material resource and are dedicated to the processing of that resource. Some Chinese steelmakers have installed pellet plants at their steelworks. However, these pellet plants have generally been designed around a known and tied supply by virtue of the Chinese steel companies taking a large equity position with the holder of the ore deposit.

However, the benefit of magnetite is that the grade can be easily enhanced and the typical magnetite concentrate is usually sold at a much higher grade than hematite. The only impurity is normally silica and the contaminants of alumina and phosphorus which usually are serious contaminants in hematite are missing. Magnetite also has an advantage that in pelletising and sintering the oxidation to hematite is exothermic and a typical magnetite pellet plant operates at less than half the energy consumption of a hematite pellet plant.

WINDARLING PEAK PROJECT
LOCATION AND TENURE

The Windarling Peak Project is located approximately 85km north of Koolyanobbing, Western Australia and consists of 3 granted exploration licenses over an area of 47.6 square kilometres and 4 Prospecting license applications totalling 3.08 square kilometres held by Baracus Pty Ltd. Tenement numbers are E 77/1236, E 77/1237, E 77/1245, P 77/3508, P 77/3509, P 77/3528 and P 77/3529 at Windarling.



THE KOOLYANOBBING IRON PROJECT

The Koolyanobbing iron deposit is developed within the Southern Cross Province of the Archaean Yilgarn Craton, 175 km west of Kalgoorlie and 375 km ENE of Perth. The Mt Jackson deposit is 60 km NNW of Koolyanobbing, and Windarling a further 20 km N of Mt Jackson. The Windarling iron deposits are located north and east of Iron Road's Windarling Peak project.

The Mt Jackson and Windarling deposits are located within the Marda greenstone belt, near its western margin where the greenstone belt is truncated by the Koolyanobbing Fault. They have a similar geologic setting to Koolyanobbing.

The dominant rock in this section of the greenstone belt fine to medium grained actinolite amphibolites. Thin discontinuous bands of chert, banded quartzite and banded iron formations are found within these more mafic rocks.

The primary banded iron formation in the Koolyanobbing Range, which has been strongly folded and thickened, is composed of banded magnetite-talc schist and quartz-magnetite containing some pyrite, and siderite and massive pyrite containing some specular hematite, magnetite and graphite.

The ore comprised hard massive goethite, coarse grained friable specular hematite, some massive fine grained hematite and ochreous yellow limonite, and minor magnetite. Bands of chlorite schist and friable iron-leached jaspilite occur within the ore zone. It has been suggested that the oxidation and enrichment may have a Proterozoic age.

Total indicated + inferred resources at the end of 2004 were:

Koolyanobbing - 37.4 Mt @ 61.52% Fe, 0.077% P, 3.38% Silica, 0.71% Alumina, 0.091% S, 6.63% LOI

Mt Jackson - 47.7 Mt @ 60.92% Fe, 0.079% P, 2.25% Silica, 1.02% Alumina, 0.108% S, 9.16% LOI

Windarling - 55.4 Mt @ 63.73% Fe, 0.138% P, 1.89% Silica, 1.29% Alumina, 0.019% S, 4.67% LOI

TOTAL - 149.5 Mt @ 62.13% Fe, 0.110% P, 2.45% Silica, 1.04% Alumina, 0.067% S, 6.71% LOI

The deposits at Koolyanobbing were initially mined by the Western Australian Government in 1948 to supply the charcoal iron industry at Wundowie near Perth. Additional deposits were developed in the mid 1960s by BHP Ltd, who operated the mine until 1983. Portman resumed mining from 1994. These deposits are currently being mined as a single operation by Portman Limited, a subsidiary of Cleveland Cliffs Inc. Ore is trucked from Mt Jackson and Windarling to Koolyanobbing to be railed to the port of Esperance on the southern Ocean.

PREVIOUS EXPLORATION

Exploration has been undertaken by previous explorers in the area since the early 1900's for a range of commodities including gold, base metals and iron ore. Limited reconnaissance exploration has been undertaken in recent times.

The area is covered by extensive surficial alluvium and colluvium with only limited outcrop exposed. The project is located in a significant producing iron ore area.

PROPOSED EXPLORATION

The proposed exploration program will include 500 metres of RC drilling and 250 metres of diamond drilling in both years 1 and 2.

WINDARLING EXPLORATION BUDGET - SUMMARY

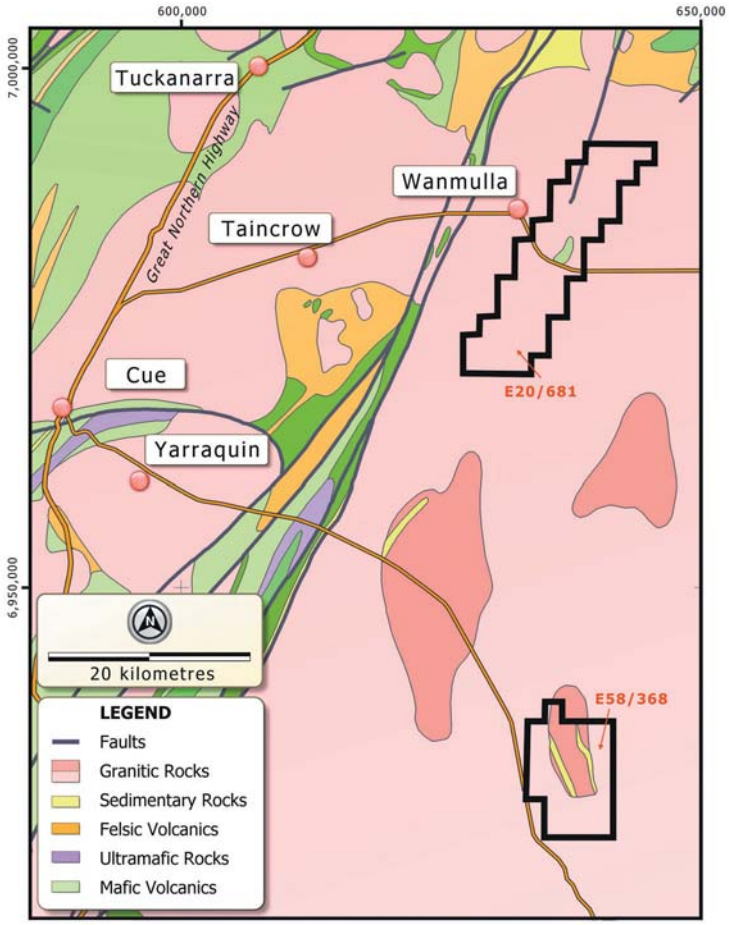
	Yr 1	Yr2	TOTAL
Data review	20,000	17,000	37,000
Field Surveys	13,000	12,000	25,000
Geophysics	0	0	0
Drilling	107,000	112,000	219,000
TOTAL	**140,000**	**141,000**	**281,000**

MURCHISON PROJECTS
WANAMULLA PROJECT

The Wanmulla Project is located approximately 50km east north east of Cue, Western Australia in the Murchison Goldfield. The Project consists of 1 exploration license ELA20/681 totaling of approximately 149 sq km held by Standard Mining Investments Pty Ltd. The tenement was applied for on the 10 January 2008 and is under application.

The project covers the eastern edge of the Mount Magnet – Meekatharra greenstone belt in the vicinity of Tuckibianna. The majority of the lease is interpreted to be gneissic granitoids however there is outcropping basalt, gabbro, amphibolites and cherty banded iron formations as enclaves of greenstone within the central portion of the project. It is likely that further enclaves of greenstone are present under areas of Quaternary alluvial and colluviums.

Broad spaced soil geochemistry (1000 x 50m spacing) targeting gold mineralization was undertaken by Croesus Mining NL on outcropping areas in 1997/98. Results were not considered anomalous with a max value of 1.62ppb Au returned and the ground was relinquished. No work was undertaken on areas covered by Quarternary alluvial and colluviums.



Enclaves of greenstone covered by surficial deposits remain prospective for gold and base metal mineralization. The area may also be prospective for roll front style uranium mineralization.

The proposed exploration program will include 500 metres of RC drilling and 250 metres of diamond drilling in both years 1 and 2.

WANAMULLA EXPLORATION BUDGET - SUMMARY

	Yr 1	Yr2	TOTAL
Data review	20,000	17,000	37,000
Field Surveys	13,000	12,000	25,000
Geophysics	0	0	0
Drilling	107,000	112,000	219,000
TOTAL	**140,000**	**141,000**	**281,000**

ROSE WELL PROJECT

The Rose Well Project is located approximately 60km north east of Mount Magnet, Western Australia. The Project consists of 1 exploration license ELA58/365 totaling of approximately 88 sq km held by Standard Mining Investments Pty Ltd. The tenement was applied for on the 10 January 2008 and is under application.

Significant calcrete hosted uranium mineralization has been located approximately 5km from the southern boundary of the project area. The Wondinong and Aura Uranium prospects are being actively explored by Maximus Resources.

The majority of the lease is interpreted to be gneissic granitoids however there is outcropping banded iron formations as enclaves of greenstone within the central portion of the project. It is likely that further enclaves of greenstone are present under areas of

Quaternary alluvial and colluviums.

The area is prospective for calcrete and roll front style uranium deposits in paleo-drainage systems and warrants further exploration including airborne radiometrics and drilling.

The proposed work program will include data review and surface exploration in years 1 and 2.

ROSE WELL EXPLORATION BUDGET - SUMMARY

	Yr 1	Yr2	TOTAL
Data review	20,000	17,000	37,000
Field Surveys	13,000	12,000	25,000
Geophysics	0	0	0
Drilling	33,000	39,000	72,000
TOTAL	**66,000**	**68,000**	**134,000**

REFERENCES

Adelaide Resources Limited, 2004, "Warramboo Iron Project Information Memorandum", unpublished.

BHP Staff 1975 - Koolyanobbing Iron Ore Deposits, WA: in Knight CL (Ed.), 1975 Economic Geology of Australia & Papua New Guinea, Monograph 5 The AusIMM, Melbourne v1 - Metals pp 940-942

Davis, M., 2005, "Iron Ore", Primary Industries and resources, South Australia (PIRSA), Government of South Australia.

Fairclough, M., 2005, "The Gawler Craton", Primary Industries and Resources, South Australia (PIRSA), Government of South Australia.

Lascelles D F, 2007 - Genesis of the Koolyanobbing iron ore deposits, Yilgarn Province, WA, Australia: in Trans. IMM (incorp. AusIMM Proc.), Section B, Appl. Earth Sc. v116 pp 86-93

GLOSSARY OF TECHNICAL TERMS

aeolian	Formed or deposited by wind.
aerial photography	Photographs of the earths surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earths magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the earths crust at or near surface and collected from an aircraft.
aircore	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
amphibolite facies	An assemblage of minerals formed at moderate to high temperatures (450?C to 700?C) during regional metamorphism.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from

	lower in the hole.
axial plane	The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
polymetallics	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
BIF	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
BLEG sampling	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
brittle	Rock deformation characterised by brittle fracturing and brecciation.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO3. Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
copper	A reddish metallic element, used as an electrical conductor an the basis of brass and bronze.
dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
DoIR	Department of Industry and Resources, WA.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
en-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
GIS database	A system devised to present partial data in a series of compatible and interactive layers.
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.

granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.
GSWA	Geological Survey of Western Australia.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
halite	Impure salt deposit formed by evaporation.
hangingwall	The mass of rock above a fault, vein or zone of mineralization.
hematite	Iron oxide mineral, Fe2O3.
hinge zone	A zone along a fold where the curvature is at a maximum.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
insitu	In the natural or original position.
interflow	Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
ironstone	A rock formed by cemented iron oxides.
isoclinal	A series of folds that dip in the same direction at the same angle.
joint venture	A business agreement between two or more commercial entities.
komatiitic	Magnesium-rich mafic to ultramafic extrusive rock.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lead	A metallic element, the heaviest and softest of the common metals.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
MMI	The collection of soil samples and their analysis, using weak extractive reagents, to determine the relative abundance of loosely attached trace elemental ions, which frequently define the position of primary mineralization.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
Moz	Millions of ounces.
Mt	Million Tonnes.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
nickel	Silvery-white metal used in alloys.
nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
open pit	A mine working or excavation open to the surface.
Orthoimage	A geographically located composite plan using aerial photography as a base.
outcrops	Surface expression of underlying rocks.

palaeochannels	An ancient preserved stream or river.
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
polymictic	Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
quartz reefs	Old mining term used to describe large quartz veins.
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
quartzose	Quartz-rich, usually relating to clastic sedimentary rocks.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
rafts	A relatively large block of foreign rock incorporated into an intrusive magma.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point or origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saline	Salty
saprock	Zone of weathered rock preserved within the weathered profile.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO_2, usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.

stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

BDO Kendalls

BDO Kendalls Corporate Finance (WA) Pty Ltd
Level 8, 256 St Georges Terrace PERTH WA 6000
PO Box 7426 Cloisters Square Perth WA 6850
Phone 61 9360 4200
Fax 61 9481 2524
bdo@bdo.com.au
www.bdo.com.au

ABN 27 124 031 045
AFS Licence No 316158

Our ref: PJT:STM

17 April 2008

The Directors
Iron Road Limited
Suite 2
35 - 37 Havelock Street
WEST PERTH WA 6005

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of Iron Road Limited ("**Iron Road**" or "**the Company**") for inclusion in the Prospectus. Broadly, the Prospectus will offer 25 million shares at an issue price of $0.20 each to raise $5 million before costs ("**The Offer**").

Expressions defined in the Prospectus have the same meaning in this Report.

2. Basis of Preparation

This Report has been prepared to provide investors with information on the Income Statement, Statement of Changes in Equity and the Balance Sheet and the pro-forma Balance Sheet as noted in Appendices 1, 2 and 3.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. **BDO Kendalls** Corporate Finance (WA) Pty Ltd ("BDO Kendalls") has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO Kendalls accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in the Prospectus.

3. Background

The Company was incorporated on 29 November 2007 as Iron Road Limited.

The Company is a registered Australian Public Company limited by shares. The Company has 27,750,000 ordinary shares on issue.

The principal activity of the Company is to explore mining tenements for iron ore and develop tenements to production. Since incorporation the Company has entered into a number of agreements to secure tenements these consist of the acquisition of a 100% interest in the Warramboo Iron Project on the Eyre Peninsula of South Australia and a number of prospective projects in Western Australia.

4. Scope

You have requested BDO Kendalls to prepare an Investigating Accountant's Report covering the following financial information:

- Iron Road's Balance Sheet as at 18 March 2008;
- Iron Road's Income Statement and Statement of Changes in Equity for the period from incorporation to 18 March 2008;

- the pro-forma balance sheet as at 18 March 2008 reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Prospectus; and
- the accounting policies applied by Iron Road in preparing its financial statements.

The historical financial information set out in the appendices to this Report has been extracted from the financial statements of the Company for the period from incorporation to 18 March 2008.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 18 March 2008;
- a review of the assumptions used to compile the pro-forma Balance Sheet and Statement of Changes in Equity;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and Directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

5. Conclusion

Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly the financial performance for the period from incorporation to 18 March 2008 or the financial position as at 18 March 2008 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Statement of Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of the Company as at 18 March 2008, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention

that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Balance Sheet

The pro-forma balance sheet post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 18 March 2008 and the transactions and events relating to the issue of shares under this Prospectus:

Subsequent Events

- The Company prepaid additional expenses associated with the preparation and issue of the Prospectus and listing of the Company amounting to $114,987.

Pro-Forma

- The Company entered into agreements with Baracus Pty Limited and Standard Mining Investment Pty Limited to acquire options to purchase exploration and prospecting licences in Windarling and exploration licences in Wanmulla and Rose Well. The Company is required to pay deposits totalling to $54,000 and issue 400,000 ordinary fully paid shares for the value of $80,000 to acquire the options;

- The issue of 25,000,000 ordinary fully paid shares at an issue price of $0.20 each to raise $5,000,000, pursuant to the Public Offer; and

- The payment of expenses associated with the preparation and issue of the Prospectus and listing of the Company amounting to $691,922, comprising 491,922 payable in cash from the proceeds of the Offer and $200,000 payable to the sponsoring broker by way of 1,000,000 ordinary fully paid shares at an issue price of $0.20. At the date of the Prospectus $142,507 of the costs of raising capital had been paid. These have been netted off against the share capital raised.

8. Disclosures

BDO Kendalls Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO Kendalls in Perth.

Neither BDO Kendalls Corporate Finance (WA) Pty Ltd nor BDO Kendalls, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Kendalls Corporate Finance (WA) Pty Ltd

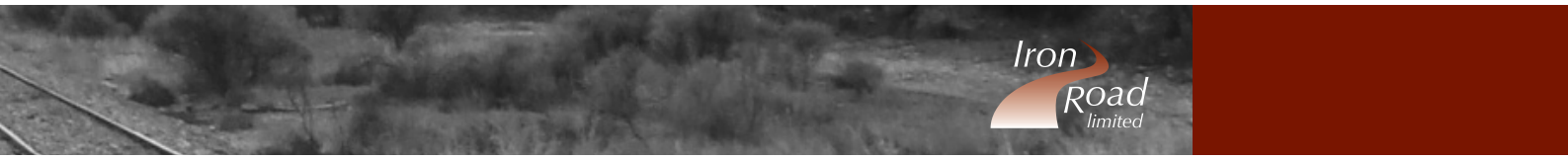
Peter Toll

Director

APPENDIX 1
IRON ROAD LIMITED
INCOME STATEMENT

	Period from Incorporation to 18 March 2007
Revenue from ordinary activities	233
Total Revenue	233
Advertising & public relations cost	(1,058)
Website costs	(1,197)
Share based payment	(13,055)
Other Expenditure	(2,197)
Profit/(Loss) from ordinary activities before income tax expense	**(17,274)**
Income tax expense relating to ordinary activities	-
Net Profit/(loss) from ordinary activities after income tax expense attributable to members	**(17,274)**

The Income Statement is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.



APPENDIX 2
IRON ROAD LIMITED
BALANCE SHEET

	Notes	18 March 2008	Subsequent Events	Pro-forma Adjustments	Pro-forma After Issue
		$	$	$	$
CURRENT ASSETS					
Cash	2	208,390	(114,987)	4,548,904	4,642,307
Trade and other receivables		2,815	-	-	2,815
Prepayments	3	27,520	114,987	(142,507)	-
TOTAL CURRENT ASSETS		**238,725**	**-**	**4,406,397**	**4,645,122**
NON-CURRENT ASSETS					
Exploration and evaluation expenditure	4	319,536	-	134,000	453,536
TOTAL NON-CURRENT ASSETS		**319,536**	**-**	**134,000**	**453,536**
TOTAL ASSETS		**558,261**	**-**	**4,540,397**	**5,098,658**
CURRENT LIABILITIES					
Trade and other payables		-	-	-	-
TOTAL CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		-	-	-	-
NET ASSETS		**558,261**	**-**	**4,540,397**	**5,098,658**
EQUITY					
Share Capital	5	458,722	-	4,540,397	4,999,119
Reserves	6	116,813	-	-	116,813
Accumulated losses		(17,274)	-	-	(17,274)
TOTAL EQUITY		**558,261**	**-**	**4,540,397**	**5,098,658**

The pro-forma Balance Sheet after Issue is as per the Balance Sheet before Issue adjusted for the transactions relating to the issue of shares pursuant to this Prospectus. The Balance Sheet is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 3
IRON ROAD LIMITED
STATEMENT OF CHANGES IN EQUITY

	Period from Incorporation to 18 March 2008 $	Pro-forma Adjustments $	Pro-forma After Issue $
Total equity at the beginning of the year	-	-	-
Loss for the year	(17,274)	-	(17,274)
Total recognised for the year	**(17,274)**	**-**	**(17,274)**
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs	458,722	4,540,397	4,999,119
Issue of share based payments	116,813	-	116,813
Total equity	**558,261**	**4,540,397**	**5,098,658**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 4
IRON ROAD LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION
FOR THE PERIOD FROM INCORPORATION TO 18 MARCH 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

(a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ("**AIFRS**"), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair valu attributable to the risks that are being hedged. Non-current assets and disposal groups held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

(b) Foreign Currency Translation

The functional and presentation currency of Iron Road is Australian dollars (A$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the income statement, except for differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

(c) Revenue Recognition

Sale of Goods and Services
Revenue from sale of goods or services is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are considered passed to buyer when goods have been delivered to the customer.

Interest
Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(d) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(g) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Company commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Held for Trading
Investments held for trading are measured at fair value with gains or losses recognised in the income statement. A financial asset is classified as held-for-trading if acquired principally for the purpose of selling in the short term or if it is a derivative that is not designated as a hedge. Investments held for trading are classified as current assets on the balance sheet.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold-tomaturity and are measured at amortised cost subsequent to initial recognition using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets comprise investments in listed and unlisted entities and any nonderivatives that are not classified as any other category, and are classified as non-current assets. After initial recognition, these investments are measured at fair value with gains or losses recognised as a separate component of equity (available-for-sale investments revaluation reserve).

Where losses have been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss, being the difference between the acquisition cost and current fair value less any impairment loss previously recognised in the income statement, is removed from equity and recognised in the income statement.

Reversals of impairment losses on equity instruments classified as available-for-sale cannot be reversed through the income statement. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through the income statement where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in the income statement.

Loans and receivables
Non-current loans and receivables include loans due from related parties repayable no earlier than 365 days of balance sheet date. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is credited to the income statement immediately and amortised using the effective interest method.

(h) Fair value estimation

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at balance sheet date. The quoted market price for financial assets is the current bid price and the quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. The fair value of long-term debt instruments is determined using quoted market prices for similar instruments. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at balance sheet date. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of trade receivables and payables is their nominal value less estimated credit adjustments.

(i) Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(j) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of balance sheet date are recognised in respect of employees' services rendered up to balance sheet date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave
Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the balance sheet date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employeedepartures and periods of service. Expected future payments are discounted using national government bond rates at balance sheet date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Profit-sharing and Bonus Plans
The Company recognises an expense and a liability for bonuses and profit-sharing when the entity is contractually obliged to make such payments or where there is past practice that has created a constructive obligation.

Retirement Benefit Obligations
The Company has a defined contribution superannuation fund. Contributions are recognised as expenses as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Contributed Equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Company is accumulated for each area of interest and recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
    (1) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale;
    and
    (2) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred.

A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the income statement.

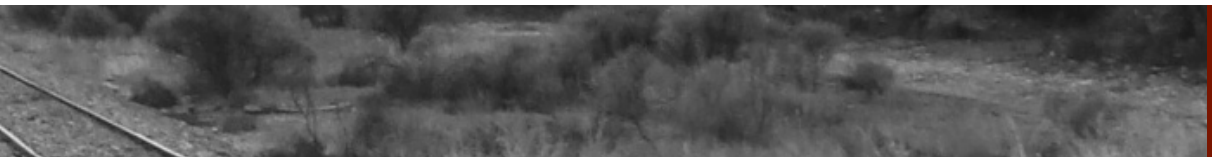
The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to,



the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Share Based Payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

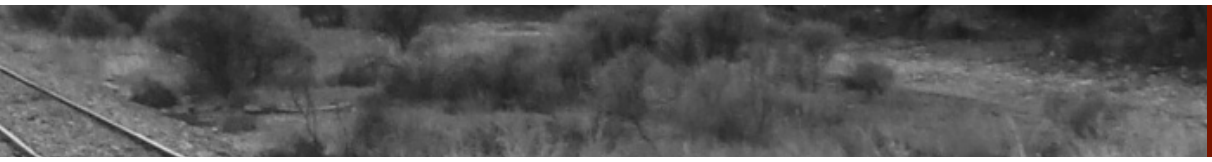
The fair value of options is recognised as an expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes and Binomial option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Iron Road ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the income statement. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

	Reviewed 18 March 2008 $	Pro-forma After Issue $
NOTE 2. CASH		
Cash at bank	**208,390**	**4,642,307**
Adjustments arising in the preparation of the pro-forma balance are summarised as follows:		
Reviewed balance at 18 March 2008		208,390
Subsequent Event		(114,987)
Prepaid costs of raising capital		93,403
Proforma Adjustments		
Proceeds from shares issued under this Prospectus		5,000,000
Share issue costs		(397,096)
Deposits paid for exploration and evaluation assets		(54,000)
Proforma Balance		**4,642,307**

	Reviewed 18 March 2008 $	Pro-forma After Issue $
NOTE 3. PREPAYMENTS		
Prepayments	**27,520**	**-**
Adjustments arising in the preparation of the pro-forma balance are summarised as follows:		
Reviewed balance at 18 March 2008		27,520
Subsequent Event		
Prepaid costs of raising capital		114,987
		142,507
Proforma Adjustments		
Prepaid share issue costs netted off against share capital raised.		(142,507)
Proforma Balance		**-**



	Reviewed 18 March 2008 $	Pro-forma After Issue $
NOTE 4. EXPLORATION AND EVALUATION EXPENDITURE		
Exploration and Evaluation Expenditure	**319,536**	**453,536**
Adjustments arising in the preparation of the pro-forma balance is summarised as follows:		
Reviewed balance at 18 March 2008		319,536
Exploration and Evaluation areas acquired from Baracus Pty Limited and Standard Mining Investment Pty Limited		134,000
Pro-forma Balance		**453,536**
The Pro-forma Adjustment comprises of:		**$**
Windarling		
Issue of 100,000 shares at 20c each for option to purchase Exploration Licences from Baracus Pty Limited		20,000
Payment of deposit of $19,000 to purchase Exploration Licences from Baracus Pty Limited		19,000
Issue of 50,000 shares at 20c each for option to purchase Prospecting Licences from Baracus Pty Limited		10,000
Payment of deposit of $9,000 to purchase Prospecting Licences from Baracus Pty Limited		9,000
		58,000
Wanmulla		
Issue of 125,000 shares at 20c each for option to purchase Exploration Licences from Standard Mining Investment Pty Limited		25,000
Payment of deposit of $13,000 to purchase Exploration Licences from Standard Mining Investment Pty Limited		13,000
		38,000
Rose Well		
Issue of 125,000 shares at 20c each for option to purchase Exploration Licences from Standard Mining Investment Pty Limited		25,000
Payment of deposit of $13,000 to purchase Exploration Licences from Standard Mining Investment Pty Limited		13,000
		38,000
Total		**134,000**

	Reviewed 18 March 2008 $	Pro-forma After Issue $
NOTE 5. CONTRIBUTED EQUITY		
Share Capital	458,722	4,999,119

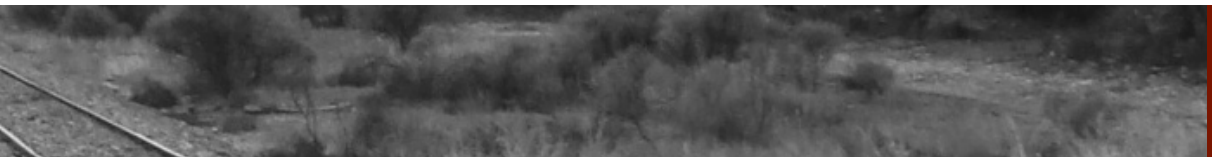
	Number of Shares	$
Reviewed balance at 18 March 2008	27,750,000	458,722
25 million shares at 20c each issued pursuant to the Prospectus	25,000,000	5,000,000
1 million shares at 20c each issued to Sponsoring Broker pursuant to the Prospectus	1,000,000	200,000
Issue of 400,000 shares for exploration and evaluation assets	400,000	80,000
Share issue expenses	-	(739,603)
Pro forma balance	**54,150,000**	**4,999,119**

	Reviewed 18 March 2008 $	Pro-forma After Issue $
NOTE 6. RESERVES		
Share based payments reserve	116,813	116,813

	Number of Options	$
Reviewed balance at 18 March 2008	16,625,000	116,813
Pro forma balance	16,625,000	116,813

The following options have been issued to Directors prior to 18 March 2008:

Class	Number	Exercise Price	Exercise Date	Value	$
Director options	7,125,000	$0.20	22 January 2013	$0.0011	8,191
Tranche 1 Director options	3,000,000	$0.35	22 January 2013	$0.0007	1,957
Tranche 2 Director options	1,500,000	$0.35	22 January 2013	$0.0006	949
Tranche 3 Director options	1,500,000	$0.35	22 January 2013	$0.0007	979
Tranche 4 Director options	1,500,000	$0.35	22 January 2013	$0.0007	979
The Sentient Group options	2,000,000	$0.20	11 March 2013	$0.0519	103,758
	16,625,000				**116,813**



Using the Black and Scholes and Binomial option valuation methodology, the fair value of the options were calculated. The following inputs were used:

Input	Director options	Tranch 1	Tranch 2	Tranch 3	Tranch 4	The Sentient Group options
Share Price	$0.01	$0.01	$0.01	$0.01	$0.01	$0.10
Exercise Price	$0.20	$0.35	$0.35	$0.35	$0.35	$0.20
Barrier Price	n/a	n/a	$0.50	n/a	n/a	n/a
Expected Volatility	75%	75%	75%	75%	75%	75%
Expiry Date	22 January 2013	22 January 2013	22 January 2013	22 January 2013	22 January 2013	11 March 2013
Expected Dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk free interest rate	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%
Value per option	**$0.0011**	**$0.0007**	**$0.0006**	**$0.0007**	**$0.0007**	**$0.0519**

The vesting conditions associated with options are summarised in the table below:

Tranche	Number of Options	Vesting Condition
Director options	7,125,000	Nil
Tranche 1 Director options	3,000,000	Upon admission to the official list of ASX
Tranche 2 Director options	1,500,000	The Company's share price remaining at or above $0.50 per share for 30 consecutive days
Tranche 3 Director options	1,500,000	The Company publishing a JORC compliant Resource of at least 100M tonnes
Tranche 4 Director options	1,500,000	Upon completion of a definitive feasibility study
The Sentient Group options	2,000,000	Nil

We are not aware of any other performance hurdles that must be achieved that would otherwise potentially dilute the value of the options to the holder on the assumption that they may not vest. Under AASB 2 "Share Based Payments", no adjustment is made for non market vesting conditions.

NOTE 7: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 8: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the prospectus.

Lawton Gillon

Barristers & Solicitors

Ian Ross Gillon
Simon Christopher England
John Konstantinos Panegyres

Our Ref: RG 16726 16726G7.doc.5 fc
Your Ref:

Level 11
16 St Georges Terrace
Perth WA 6000
Telephone (08) 9221 5445
Fax (08) 9221 4224
Email lawyer@lawtongillon.com.au

15 March 2008

My ref: RG 16726

The Directors
Iron Road Limited
(ABN 51 128 698 108)
Suite 2
35-37 Havelock Street
WEST PERTH WA 6005

Dear Sirs

Re: SOLICITOR'S REPORT ON MINING TENEMENTS

1. Introduction

This Solicitor's Report is prepared for inclusion in a prospectus to be issued by Iron Road Limited (the Company) on or about 18 April 2008 to raise up to FIVE MILLION DOLLARS ($5,000,000) (the Prospectus). The offer in the Prospectus comprises the issue by the Company of TWENTY FIVE MILLION (25,000,000) fully paid ordinary shares at an issue price of 20 cents per Share.

We are instructed that as at the date of this report, the Company has entered into the following agreements in relation to the Tenements ("Contracts"):

- Warramboo tenement, South Australia with Adelaide Exploration Limited and Adelaide Resources Limited
- Windarling tenements, Western Australia with Baracus Pty Ltd
- Wanmulla and Rose Well tenements, Western Australia with Standard Mining Investments Pty Ltd

The terms and conditions of the Contracts are summarised by the Company in Section 11 of the Prospectus.

Under the Contracts, the Company is entitled, subject to exercise of the options and completion of the Contracts, to acquire an interest in various applications for the grant of mining tenements and granted mining tenements. All granted mining tenements and all applications are collectively referred to as the Tenements).

A schedule of Tenements is attached to and forms part of this report ("Schedule"). In addition to a list of the Tenements, the Schedule contains notes in relation to the status of the Tenements, native title claims affecting the Tenements and endorsements and conditions affecting the Tenements.

One of the Tenements is located in South Australia with the balance being located in Western Australia.

2. Opinion

As a result of searches (referred to below) and enquiries, but subject to the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

a. the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
b. where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule or the Notes;
c. all applicable rents due in respect of the Tenements have been paid, unless otherwise noted in the Schedule;
d. all expenditure requirements have been met or exemptions obtained, unless otherwise noted in the Schedule. We can not comment on the likely success of any applications for expenditure exemptions that have been applied for but not granted as at the date of this report;
e. under the terms and conditions of the Contracts, the Company has the right to acquire an interest in the Tenements on the terms set out in the Contracts, subject to the matters referred to in this report or the Schedule; and
f. Tenements granted since 23 December 1996 are valid assuming the applicable processes prescribed by the Native Title Act 1993 as amended by the Native Title Amendment Act 1998 (Cth) (which as amended is referred to as the NTA) were complied with by the State Government (which we have not checked).

The valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the NTA.

3. Qualifications

While the status of the Tenements is dealt with in the Schedules, we point out, by way of summary, that:

(a) We have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the relevant Department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements obtained from the Western Australian Department of Industry and Resources ("DoIR");

(b) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act of WA ("WA Mining Act");

(c) We have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(d) We have further assumed that the Company's seals and signatures on all the Contracts are authentic and that the Contracts are and were within the capacity and powers of those who executed them. We assume that all of the Contracts were validly authorised, executed and delivered by and are binding on the parties to them and comprise the entire agreements of the parties to each of them with respect to their respective subject matters. We have relied on the Company's instructions that the Contracts are the only contracts or arrangements relating to the Tenements to which it is a party or of which it is aware;

(e) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(f) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

(g) references in the Schedule to any area of land are taken from details shown on searches obtained from the DoIR. It is not possible to verify the accuracy of those areas without conducting a survey;

(h) where Ministerial consent to any agreement or dealing referred to in Part II of this report is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although I have no reason to believe that any application for consent will be refused;

(i) the Schedule of Tenements is accurate as at 11 January 2008 for the Western Australia tenements and 5 March for the South Australia tenement as it is based on searches from the DoIR at that date. We cannot comment on whether any changes have occurred in respect of the Tenements between 11 January 2008 for the Western Australia tenements and 5 March for the South Australia tenement and the date of the Prospectus; and

(j) in relation to each native title claim outlined in this report we do not express an opinion on the merits of such native title claim.

4. Tenements generally (Western Australia)

(a) Prospecting Licence

A prospecting licence remains in force for a period of 4 years and does not carry a right of renewal.

Pursuant to sections 49(1) and 75(7) of the WA Mining Act, the holder of a prospecting licence may apply for and, subject to the WA Mining Act and the conditions of the licence, has the right to have granted a mining lease over any of the land within the licence. Prior to the terms of the prospecting licences expiring, applications may be made to convert them to mining leases. Where an application has been made to convert a prospecting licence to a mining lease, section 49 of the WA Mining Act provides that the prospecting licence remains in force until the application for the mining lease is determined. There is no restriction on assignment of a prospecting licence.

(b) Exploration Licence

An exploration licence remains in force for a period of 5 years. The Minister may extend the term by a further period or periods of 1 or 2 years. An exploration licence cannot be assigned during the first year of its term without the prior written consent of the Minister.

Thereafter, there is no restriction on assignment. Pursuant to sections 67(1) and 75(7) of the WA Mining Act, the holder of an exploration licence may apply for and, subject to the WA Mining Act and the conditions of the licence, has the right to have granted one or more mining leases over any of the land within the area of the licence. Prior to the expiration of the term of any of the exploration licences set out in the Schedule, an application may be made to convert it to one or more mining leases.

(c) General Conditions

Mining tenements are granted subject to various conditions prescribed by the WA Mining Act including payment of rent, compliance with minimum expenditure and reporting requirements.

Certain conditions that apply to one or more of the Tenements include standard environmental conditions. Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the notes to the Schedule.

(d) Specific Conditions

Specific conditions applicable to the individual Tenements are detailed in the notes to the Schedule.

(e) Encumbrances

Encumbrances and caveats applicable to the individual Tenements are mentioned in the Schedule.

(f) Compliance

The Company's interest in or right in relation to the granted Mining Tenements is subject to the holder continuing to comply with the respective terms and conditions of the respective granted Mining Tenements under the provisions of the Act, and any regulations made pursuant to that Act, together with the conditions specifically applicable to any granted Mining Tenement. We have sought and received confirmation from the Company that the various conditions in respect of each granted Mining Tenement have been met in all material respects.

5. Tenements generally (South Australia)

The tenement in South Australia consists of Exploration Licence 3699.

Under the South Australian Mining Act ("SA Mining Act") an Exploration Licence is granted for a term not exceeding 5 years. It may be renewed at the direction of the South Australian Minister but not so that the aggregate term of the Licence exceeds 5 years. If the Licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced.

The area of an Exploration Licence must not exceed 1000 square kilometres unless the South Australian Minister believes there are justifiable reasons to allow a larger area.

An Exploration Licence may be granted subject to such conditions as the South Australian Minister determines, as well as standard conditions which relate to:

- reporting the discovery of minerals potentially capable of economic production to the Department of Primary Industries and Resources, South Australia;
- preventing the pollution of surface and underground waters;
- minimising damage to the surface of the land;
- ensuring that drilling and other underground investigations do not cause interconnection between ground water aquifers;
- obtaining approval before constructing major camp sites or constructing or upgrading tracks;
- keeping the use of the vehicles, other than on existing tracks, to a minimum; and
- providing written particulars of any proposed airborne survey or ground water investigation survey to the South Australian Director and allowing an inspector to enter, survey or examine the land.

An Exploration Licence or an interest in an Exploration Licence must not be assigned, sublet or be subject to any other dealing, either directly or indirectly, without the written consent of the South Australian Minister.

6. Searches

For the purposes of this report, we have conducted and reviewed searches of the Tenements in the registers maintained by the Western Australian Department of Industry and Resources ("DoIR") and the South Australian Department of Primary Industries and Resources and made enquiries in respect of all the Tenements.

We have obtained extracts from the Register of Native Title Claims maintained by the National Native Title Tribunal ("NNTT") in respect of registered native title claims.

7. Aboriginal Sites

Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the Aboriginal Heritage Act 1972 (WA) ("WA Heritage Act").

The WA Heritage Act protects sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation or other alteration of or damage to an Aboriginal site or any objects on or under that site.

There is no requirement for a site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the WA Heritage Act. A register of sites is maintained by the Aboriginal Affairs Department of Western Australia. The WA Heritage Act applies to all Aboriginal sites and objects whether or not they are registered under the WA Heritage Act. For that reason, we have not conducted a search of that register for the purposes of this report.

A practical method of minimising the danger of unintentional disturbance of a site, is to undertake Aboriginal heritage surveys with local Aboriginal communities before the commencement of land disturbing activities. This is an informal process because the WA Heritage Act does not actually prescribe a mechanism for identifying Aboriginal sites. We are not aware of any heritage surveys of the land the subject of the Tenements having been conducted to date.

The Aboriginal Heritage Act 1988 (SA) ("SA Heritage Act") applies to Tenements granted in South Australia. Under the SA Heritage Act, damage to Aboriginal sites or objects of significance to Aboriginal tradition, archaeology, anthropology or history, or to Aboriginal remains, is prohibited. A register of Aboriginal sites and objects is maintained but it is incomplete and protection is extended to Aboriginal sites and objects whether or not they are noted on the register. The register is confidential and is not available for public inspection. Prior to commencing operations, it is prudent to determine the existence of any Aboriginal site or object by obtaining a clearance survey which may involved research and consultation with local communities.

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) ("Heritage Protection Act") also affords some protection to Aboriginal sites in Western Australia. It allows declarations to be made which protect or preserve objects or areas which are of significance to Aboriginals, whether situated on private or Crown land.

Two types of declarations may be made in relation to significant Aboriginal objects or Aboriginal areas (being objects or areas of

significance to Aboriginals in accordance with Aboriginal tradition) under the Heritage Protection Act:
(a) emergency declarations of preservation which remain in force for a maximum of 60 days; and
(b) declarations of preservation (which remain in force for the terms specified in the declarations).

Before making a permanent declaration in relation to an area, the Minister for Aboriginal Affairs must commission a report on the area, which addresses specific matters such as the significance of the area, the extent of the area to be protected and the effects of the declaration on any non-Aboriginal interests in the land.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Heritage Protection Act.

In respect of these sites and any other sites identified on any of the Tenements, the Company needs to ensure that any interference with such sites is in strict conformity with the provisions of the WA Heritage Act, the SA Heritage Act and the Heritage Protection Act as applicable.

8. Native Title Legislation

On 3 June 1992 the High Court of Australia held in Mabo v Queensland (No.2) (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. In order to succeed in a native title claim the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of a wholly "inconsistent interest" in the land by the Crown.

An example of an inconsistent interest would be the granting of a freehold or some type of exclusive possession leasehold interest in the land. The granting of a lesser form of interest not conferring exclusive possession will not extinguish native title as it would not be wholly inconsistent with native title rights and interests.

The Racial Discrimination Act 1975 (Cth) ("RDA") enacted by the Federal Parliament is binding on the State of Western Australia, and generally makes racial discrimination unlawful.

The Commonwealth Parliament responded to the Mabo decision by passing the Native Title Act 1993 (Cth). This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid by reason of the RDA. The Native Title Act 1993 (Cth) was extensively amended by the Native Title Amendment Act 1998 (Cth). These amendments include the ability of a State Parliament to validate any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The State of Western Australia has enacted the validating legislation contemplated by the NTA: the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 as amended by the Titles (Validation) and Native Title (Effect of Past Acts) Amendment Act 1999. The South Australian Parliament has enacted the Native Title (South Australia) Act 1994 which confirms the validity of titles granted by the South Australian Government at any time prior to 1 January 1994. This Act was amended by the Native Titles (South Australia) (Miscellaneous) Amendment Act 2000, which imposes more demanding requirements on applicants seeking registration of a native title claim. The Act was also amended by the Native Title (South Australia) (Validation and Clarification) Amendment Act 2000 to clarify the extent to which titles granted between 1 January 1994 and 23 December 1996 extinguish native title.

9. Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (Registration Test), it will be entered on the Register of Native Title Claims maintained by the National Native Title Tribunal (Register). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be

entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Some of the Tenements relate to land which is currently the subject of one or more registered native title claims. These claims are identified in the Schedule. If native title is found to exist, the nature of the native title may be such that consent to the grant of a mining tenement may be required by the native title holders but is withheld or only granted on conditions unacceptable to the Company.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future. In any event, the existence of native title is not the relevant issue for the Company. The relevant issue is the existence of a registered native title claim. That effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

10. Effect of Native Title on Validity of Tenements

The existence of native title to an area as at the date of grant of a mining tenement may render the tenement invalid. For example, if the provisions of the RDA or the NTA are ignored. I have reviewed the validity of each of the Mining Tenements and made notations as to their validity (from a native title perspective) in the Schedule, having regard to the following:

(a) Tenements granted prior to 1 January 1994

Tenements granted prior to 1 January 1994 are either valid as at the date or were subsequently validated by the combined operation of the NTA and Western Australian or New South Wales native title legislation, depending on their location. None of the Mining Tenements in which the Company has an interest were granted prior to 1 January 1994.

(b) Tenements granted between 1 January 1994 and 23 December 1996

Tenements granted between 1 January 1994 and 23 December 1996 (being the date on which the High Court handed down the Wik decision) will either be:

- Valid as at the date of grant; or
- Invalid because they fail to comply with certain provisions of the NTA or for any other reason because of native title.

The combined operation of the Commonwealth and Western Australian native title legislation will have validated such invalid acts, if certain statutory criteria are met (such as, where applicable, the payment of compensation and notification requirements). One of the Mining Tenements in which the Company has an interest were granted between 1 January 1994 and 23 December 1996.

(c) Tenements granted since 23 December 1996

Mining Tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the future act procedures set out in (d) below were followed by the relevant parties. I have not been instructed to analyse whether or not the relevant NTA procedures were followed in relation to each tenement, but are of the opinion that they were validly granted.

The remainder of the Mining Tenements in which the Company has an interest that have been granted and are classified as valid future acts under the NTA.

(d) Future Tenement Grants

The valid grant of any mining tenement that may affect native title requires full compliance with the provisions of the NTA. The primary procedure prescribed under the NTA is the "right to negotiate" process.

The right to negotiate process involves the publishing or advertising of a notice of the proposed grant of a tenement followed by a 6 month period of negotiation between the State Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the National Native Title Tribunal ("NNTT"), which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.
The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the expedited procedure applies. Under the NTA, a future act is an act attracting the expedited procedure if:

(a) the act is not to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land; and
(b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and
(c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

When the proposed future act is considered to be one that attracts the expedited procedure, persons have until 3 months after the notification date to take steps to become a native title party in relation to the relevant act (for example the proposed granting of an exploration licence). The future act may be done unless, within 4 months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.

If there are no native title parties or no objections lodged within the 4 month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is, the State may do the future act (ie grant an exploration licence).

The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement ("ILUA") is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the ILUA. We have not been provided with any information on any negotiations relating to any ILUA for any of the Mining Tenements.

11. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without my prior written consent.

Yours faithfully

Barristers and Solicitors

Tenement Type	Tenement No	Holders (Shares)	Area Blocks	Grant Date	Expiry Date	Rent ($)	Minimum Expenditure ($)	Native Title Claims
WESTERN AUSTRALIA								
Windarling								
Exploration Licence	77/1236	Baracus Pty Ltd	5	19 Sept 2006	18 Sept 2011	550.55	15,000.00	WC95/27, WC97/100, WC99/29, WC00/7
Exploration Licence	77/1237	Baracus Pty Ltd	1	7 June 2007	6 June 2012	265.10	10,000.00	WC95/27, WC97/100, WC99/29, WC00/7
Exploration Licence	77/1245	Baracus Pty Ltd	9	7 June 2007	6 June 2012	990.99	20,000.00	WC99/29, WC00/7
Prospecting Licence	77/3508	Baracus Pty Ltd	138 HA	Not yet granted	N/A	N/A	N/A	WC95/27, WC97/100, WC99/29, WC00/7
Prospecting Licence	77/3509	Baracus Pty Ltd	47 HA	Not yet granted	N/A	N/A	N/A	WC95/27, WC97/100, WC99/29, WC00/7
Prospecting Licence	77/3528	Baracus Pty Ltd	66 HA	Not yet granted	N/A	N/A	N/A	WC99/29, WC00/7
Prospecting Licence	77/3529	Baracus Pty Ltd	57 HA	Not yet granted	N/A	N/A	N/A	WC99/29, WC00/7
Wanmulla								
Exploration Licence	20/681	Standard Investments Pty Ltd	49	Not yet granted	N/A	N/A	N/A	Mining WC99/10, WC99/46
Rose Well								
Exploration Licence	58/365	Standard Investments Pty Ltd	29	Not yet granted	N/A	N/A	N/A	Mining WC99/10, WC99/46
SOUTH AUSTRALIA								
Warramboo Area								
Exploration Licence	3699	Adelaide Exploration Limited	663 k2	9 Feb 2008	8 Feb 2009		190,000.00	SC96/4, SC97/8

9 RISK FACTORS

Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls but some are outside the control of the Company and cannot be mitigated.

This section identifies the areas the Directors regard as the principal risks associated with an investment in the Company. The list is not exhaustive and potential investors should read this Prospectus in full and seek professional advice if they require further information on material risks before deciding whether to apply for Securities.

9.1 Exploration Risk

The mineral tenements of the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the project areas described in this Prospectus, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

9.2 Operating Risks

The operations of the Company may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions and acts of God;
- industrial and environmental accidents;
- industrial disputes; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Company was incorporated on 29 November 2007 and has undertaken limited initial exploration on some tenements listed in this Prospectus. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

9.3 Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

9.4 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious, base and other metals, technological advancements, forward selling activities and other economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

9.5 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the

environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

9.6 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Reference should be made to the relevant section of the Solicitor's Report set out in section 8 of this Prospectus for information on the issue of title and a description of the native title regime.

9.7 Share Market Conditions

The market price of the Securities and the value of the Company will be subject to fluctuations in line with the volatility of the share market in general. The prices for the Securities on the ASX may rise or fall due to numerous factors such as general economic conditions, variations in the global and local markets for listed securities generally, movements in, or outlook on, interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand for, and supply of, capital stock, securities or commodities.

The prices for shares for many companies have in recent times been subject to wild fluctuations which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Securities.

There can be no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. The number of buyers and sellers of the Securities on the ASX at any time may increase the volatility of the market price of the Securities and may also affect the prevailing market price at which Applicants are able to sell their Securities.

9.8 General Investment Risks

The Company's future possible revenue and operations may be affected by a number of factors which are beyond the control of the Company. Those factors include:

- local and world economic conditions;
- interest rates;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations; and
- natural disasters, social upheaval or war in Australia or overseas.

9.9 Regulatory

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws in any of the legal jurisdictions which govern the Company's operations or contractual obligations could impact adversely on the assets, operations and ultimately the financial performance of the Company and its Securities.

9.10 Additional Funding Requirements

The Directors expect that the proceeds of the Offer will provide sufficient working capital to enable the Company to achieve its initial business objectives. The Directors can, however, give no assurances that such objectives will in fact be met without future borrowings or further capital raisings and, if such borrowings or capital raisings are required, that they can be obtained on terms favourable to the Company.

In addition, expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

9.11 Uninsured Risks

Exploration for and development of minerals involves risks which could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities which could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be materially affected.

9.12 Specific Risks associated with the Company

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its Securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company:

- the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part pursuant to the Mining Act;
- the Western Australian Department of Industry and Resources ("Department") from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company; and
- the exploration costs of the Company described in section 2 of this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice and this may materially and adversely affect the Company's viability.

10 CORPORATE GOVERNANCE

10.1 Introduction

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Ten Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

10.2 Explanations for Departures from Best Practice Recommendations

Principle 1 recommendation 1.1

Notification of Departure:

The Company has not formally disclosed the functions reserved to the Board and those delegated to management.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The Board has established a framework for the management of the Company and the roles and responsibilities of the Board and management.

Previously, due to the small size of the Board and of the Company, the Board did not think that it was necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that shareholder value is increased.

Principle 2 Recommendation 2.1

Notification of Departure:
The Board does not have a majority of independent Directors.

Explanation for Departure:
The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations.

The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by Directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent Directors as it deems appropriate.

Principle 2 Recommendation 2.4

Notification of Departure:
The full Board carries out the role of a nomination committee in the Nomination Committee Charter formalised on 14 February 2008. The Board has not adopted a charter relevant to the specific functions of a nomination committee.

Explanation for Departure:
The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the Company's operations (ie. a company seeking to be listed on the ASX), where the Company's focus is on the retention of Directors and senior executives.

Principle 3 Recommendation 3.1 and
Principle 10 Recommendation 10.1

Notification of Departure:
The Company established a formal code of conduct on 14 February 2008.

Explanation for Departure:
The Board considers that before the Code of Conduct was formalised and adopted, its business practices as led by the Board and key executives, were the equivalent of a code of conduct.

Principle 3 Recommendation 3.2

Notification of Departure:
The Company established a formal policy regarding trading in the Company's securities on 14 February 2008.

Explanation for Departure:
Although prior to 14 February 2008 there was no written policy, all Directors, officers and employees of the Company understood when it is appropriate for trading in securities to occur (in line with the law relating to the prohibitions on insider trading, set out in the Corporations Act.). This has now been formalised.

Principle 4 Recommendation 4.2, 4.3, 4.4

Notification of Departure:
There is no separate Audit Committee.

Explanation for Departure:
The Company's financial statements are prepared by the Company Secretary and reviewed in detail by the full Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it has approved the formation of the Audit Committee to occur shortly following the Company's admission to the Official List of the ASX.

Principle 5 Recommendation 5.1

Notification of Departure:
The Company established written policies and procedures designed to ensure compliance with Listing Rule disclosure requirements and accountability for compliance on 14 February 2008.

Explanation for Departure:
Before adopting the written policy, the Company had in place informal procedures which it believes were sufficient for ensuring compliance with Listing Rule disclosure requirements and accountability for compliance. The Board nominated the Managing Director and the Company Secretary as being responsible for all matters relating to disclosure.

Principle 6 Recommendation 6.1

Notification of Departure:
The Company established a formal shareholder communication strategy on 11 February 2008.

Explanation for Departure:
The Company established a formal Shareholder communication strategy to support active communication with its Shareholders once it is listed and it aims to actively promote shareholder involvement in the Company. It will achieve this by posting on its website, copies of all information which is lodged with the ASX. Shareholders with internet access will also be encouraged to provide their email addresses to receive electronic copies of information distributed by the Company. Alternatively, hard copies of information distributed by the Company will be available on request.

Principle 7 Recommendation 7.1

Notification of Departure:
The Company has an informal risk oversight and management policy and internal compliance and control system.

Explanation for Departure:
The Board is aware of the various risks that affect the Company and its particular business and reviews these risks on a regular basis. As the Company develops, the Board will further develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the Company and the stage of development of its projects.

Principle 8 Recommendation 8.1

Notification of Departure:
The Company does not have in place a formal process for evaluation of the Board, its committees, individual Directors and key executives.

Explanation for Departure:
Due to the recent history of the Company (it was registered on 29 November 2007), an evaluation of the Board has been carried out on a continuing and informal basis as part of the Company's preparations for the initial public offering and proposed listing on ASX. The Company will put in place a process for evaluating the Board, individual Directors and key executives once it has been listed and has had an opportunity to put into effect its business plan as disclosed in this Prospectus.

Principle 9 Recommendations 9.1, 9.2, 9.3, 9.4

Notification of Departure:
The Company does not have a formal remuneration policy and has not established a separate remuneration committee.

Explanation for Departure:
The current remuneration of the Directors is disclosed in Section 11.7 of this Prospectus. Remuneration is currently in accordance with the general principals recommended by the ASX. Non-executive Directors receive a fixed fee for their services and do not receive performance based remuneration. Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board has agreed however to the formation of a remuneration committee to occur shortly following the Company's admission to the Official List of the ASX.

11 ADDITIONAL INFORMATION

11.1 Incorporation
The Company was incorporated on 29 November 2007.

11.2 Company Tax Status and Financial Year
The Directors expect the Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June, annually.

11.3 Legal Proceedings
The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

11.4 Summary of Material Contracts
Set out below is a brief summary of certain contracts which have been entered into by the Company and which have been identified as material and relevant to potential investors. To fully understand all the rights and obligations of a material contract it would be necessary to review each contract in full and these summaries should be read on that basis.

i. Warramboo
The Company has entered into an agreement with Adelaide Exploration Limited and Adelaide Resources Limited whereby the Company has agreed to purchase a 100% interest in Exploration Licence 3699 (Warramboo). The Company has issued 21,000,000 fully paid ordinary shares in the capital of the Company to Adelaide Resources Limited. The agreement is subject to and conditional upon the Company being admitted to the Official List of the Australian Stock Exchange.

ii. Windarling Peak – Exploration Licences
The Company has entered into an agreement with Baracus Pty Ltd whereby the Company has the option to acquire a 100% interest in Exploration Licences E77/1236, E77/1237, E77/1245. The agreement is subject to and conditional upon the Company being admitted to the Official List of the Australian Stock Exchange. The Company will provide an option fee through the allotment of 100,000 shares in the Company to Baracus Pty Ltd and will pay to Baracus Pty Ltd $19,000 within 10 Business Days of ASX listing, being an amount equal to the costs associated with applying for and maintaining the Tenements less $1000. In the event that the Company exercises the option to purchase the Tenements, the Company is obliged to pay to Baracus Pty Ltd the sum of $1000. Baracus Pty Ltd will retain the right to receive a royalty equal to 2.0% of the value of all minerals derived from the Tenements.

iii. Windarling Peak – Prospecting Licences
The Company has entered into an agreement with Baracus Pty Ltd whereby the Company has the option to acquire a 100% interest in Exploration Licences P77/3508, P77/3509, P77/3528, P77/3529. The agreement is subject to and conditional upon the Company being admitted to the Official List of the Australian Stock Exchange. The Company will provide an option fee through the allotment of 50,000 shares in the Company to Baracus Pty Ltd and will pay to Baracus Pty Ltd $9,000 within 10 Business Days of ASX listing, being an amount equal to the costs associated with applying for and maintaining the Tenements less $1000. In the event that the Company exercises the option to purchase the Tenements, the Company is obliged to pay to Baracus Pty Ltd the sum of $1000. Baracus Pty Ltd will retain the right to receive a royalty equal to 2.0% of the value of all minerals derived from the Tenements.

iv. Wanmulla
The Company has entered into an agreement with Standard Mining Investments Pty Ltd whereby the Company has the option to acquire a 100% interest in Exploration Licence E20/681. The agreement is subject to and conditional upon the Company being admitted to the Official List of the Australian Stock Exchange. The Company will provide an option fee through the allotment of 125,000 shares in the Company to Standard Mining Investments Pty Ltd and will pay to Standard Mining Investments Pty Ltd $13,000 within 10 Business Days of ASX listing, being an amount equal to the costs associated with applying for and maintaining the Tenements less $1000. In the event that the Company exercises the option to purchase the Tenements, the Company is obliged to pay to Standard Mining Investments Pty Ltd the sum of $1000. Standard Mining Investments Pty Ltd will retain the right to receive a royalty equal to 2.0% of the value of all minerals derived from the Tenements.

v. Rose Well
The Company has entered into an agreement with Standard Mining Investments Pty Ltd whereby the Company has the option to acquire a 100% interest in Exploration Licence E58/365. The agreement is subject to and conditional upon the Company being admitted to the Official List of the Australian Stock Exchange. The Company will provide an option fee through the allotment of 125,000 shares in the Company to Standard Mining Investments Pty Ltd and will pay to Standard Mining Investments Pty Ltd $13,000 within 10 Business Days of ASX listing, being an amount equal to the costs associated with applying for and maintaining the Tenements less $1000. In the event that the Company exercises the option to purchase the Tenements, the Company is obliged to pay to Standard Mining Investments Pty Ltd the sum of $1000. Standard Mining Investments Pty Ltd will retain the right to receive a royalty equal to 2.0% of the value of all minerals derived from the Tenements.

vi. The Company has entered into an agreement with Dr John McKee whereby the Company has agreed to pay Dr McKee director's fees of $70,000 per annum, payable monthly, for acting as the Non-Executive Chairman of the Company.

vii. The Company has entered into an Employment Contract with Mr Andrew Stocks whereby the Company has agreed to employ Mr Stocks as Managing Director. Mr Stocks will receive a payment of $40,000 upon the Company being admitted to the Official List of the Australian Stock Exchange and thereafter an annual salary of $250,000 plus statutory entitlements. Mr Stocks has been granted Incentive Options as tabled below (and included at section 11.7).

Incentive Options

Tranche	Amount	Exercise Price (¢)	Vesting Conditions
1	1,500,000	35	Admission to the official list of ASX.
2	1,500,000	35	The Company's share price remaining at or above 50 cents per share for 30 consecutive days.
3	1,500,000	35	The Company publishing a JORC compliant Resource of at least 100M tonnes.
4	1,500,000	35	Upon completion of a definitive feasibility study.

viii. The Company has entered into a letter agreement with Mr Matthew Keegan whereby the Company has agreed to pay Mr Keegan director's fees of $40,000 per annum, payable monthly, for acting as a Non-Executive Director of the Company.

11.5 Rights Attaching to Shares
There is only one class of shares in the Company, fully paid ordinary shares. The rights attaching to the Shares are:
(a) set out in the constitution of the Company; and
(b) in certain circumstances regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules and the general law.

A copy of the constitution of the Company may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. All Shares issued pursuant to this Prospectus will, from the date they are issued, rank pari passu with all of the Company's existing Shares.

Voting

Subject to any restriction on voting imposed due to a breach of the Listing Rules relating to restricted shares or any escrow agreement entered into by the Company and a Shareholder, every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid share.

A poll may be demanded before a vote is taken, or before or immediately after the declaration of the result of the show of hands by the chairperson of the meeting, on a resolution by the chairperson of the meeting, by not less than 5 Shareholders having the right to vote at the meeting, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote on the resolution at that meeting.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends are divisible amongst the Shareholders in accordance with the Corporations Act.

Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing approved by the ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, other than a market transfer, where permitted by the Listing Rules or the ASTC Settlement Rules. The Company must not prevent, delay or in any way interfere with the registration of a transfer of Shares where to do so would be contrary to the provisions of the Listing Rules or the ASTC Settlement Rules.

Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

Winding Up

The Company has only issued one class of shares, which all rank equally in the event of liquidation. A liquidator may, with the sanction of a special resolution of Shareholders, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair on any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator can with the sanction of a special resolution of the Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the Shares under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

If the Company is admitted to the Official List, notwithstanding anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, as the case may be. If the Listing Rules require the constitution to contain a provision or not to contain a provision, the constitution is deemed to contain that provision or not to contain that provision, as the case may be. If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

11.6 Rights Attaching to Options

The terms and conditions of the Options are:

(a) each Option entitles the holder to subscribe for one (1) ordinary Share in the Company upon payment of twenty (20) cents per Option;

(b) The Options will lapse at 5.00 pm WST on 23 January December 2013;

(c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of twenty (20) cents per Option exercised;

(d) the Options are transferable;

(e) application will be made to the ASX for Official Quotation of the Options and application will be made for Official Quotation of the Shares issued upon exercise of the Options;

(f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least seven (7) business days before the books closing date to exercise the Options;

(g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;

(h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged; and

(i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

The 9,125,000 Options issued to date by the Company have the same terms and conditions as the above and will be subject to escrow restrictions as required by the ASX.

A further 7,500,000 Options have been issued and differ in the following respects.

(a) each Option entitles the holder to subscribe for one (1) ordinary Share in the Company upon payment of twenty (35) cents per Option;

(b) the Options are not transferable;

(c) application will not be made to the ASX for Official Quotation of the Options, though application will be made for Official Quotation of the Shares issued upon exercise of the Options;

11.7 Directors' Interests

Except as disclosed in this Prospectus:

(a) no Director has any interest, nor has had any interest within two years before the lodging of this Prospectus with the ASIC in the formation or promotion of the Company or the Offer or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; and

(b) no Director has received or is entitled to receive any sum for services rendered by himself either to induce him to become or qualify him as a Director, or otherwise in connection with the promotion or formation of the Company or the Offer.

Shareholding Qualifications
The Directors are not required to hold any Shares under the constitution of the Company.

Directors Share and Option Holdings
As at the date of this Prospectus the relevant interest of each of the Directors in the Securities of the Company are as follows:

Director	Shares held directly	Shares held indirectly	Options held directly	Options held indirectly
John McKee	-	-	-	-
Andrew J Stocks	1,140,000	1,140,000	7,710,000	1,710,000
Matthew J Keegan	1,520,000	-	3,780,000	-

The Directors may subscribe for shares under this Prospectus.

Remuneration of Directors
The constitution of the Company provides that the Directors may collectively be paid as remuneration for their services a fixed sum, not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting.

At the General Meeting held on 22 January 2008 the aggregate remuneration was set at an amount of $200,000.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also paid for all travelling and other expenses incurred by them attending meetings or otherwise in connection with the Company's business.

As at the date of this Prospectus the Company has the following commitment or contractual obligations with respect to executive and Non-Executive Directors:

Refer to section 11.4 for details on the Employment Contract involving Mr Andrew J Stocks.

11.8 Dividend Policy
The Company's operations are in exploration mode with no present significant revenue sources available prior to the proving up of mineable resources and the commencement of mining operations and sales. Accordingly there is no present intention to pay dividends on the Shares.

The Directors will develop a suitable dividend policy at the appropriate stage. The Directors can give no assurance as to the extent, timing or actual payment of future dividends or the availability or level of franking credits. The level of dividends payable depend upon a number of factors including future earnings, capital requirements and the overall financial condition of the Company. The Company has not declared or paid any dividends before the issue of this Prospectus.

11.9 Taxation
The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each Shareholder. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

11.10 Interests of Experts and Professional Advisers
Except as disclosed in this Prospectus, no promoter or person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within 2 years before lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;
(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer;
(c) the Offer;
and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

- Malcolm Castle has received professional fees of approximately $8000 for consultancy services in connection with this Prospectus, including the provision of the Independent Geologist's Report.
- Metalitics Pty Ltd has received professional fees of approximately $25,000 for consultancy services in connection with this Prospectus, including the provision of the Overview of the Iron Ore Industry report.
- BDO Kendalls Corporate Finance (WA) Pty Ltd will receive professional fees of approximately $7500 for accounting services in connection with this Prospectus, including the provision of the Investigating Accountant's Report.
- Lawton Gillon has received approximately $40,000 for legal services to the Company in connection with this Prospectus including the provision of the Independent Solicitor's Report.
- Findlay & Co Stockbrokers Ltd has acted as Sponsoring Broker in relation to the Offer. For those services the Company will pay a fee up to 5% of the amount raised by the Sponsoring Broker from subscriptions to the Offer. The Company will also pay a management fee of 1% of the total raised plus all reasonable costs and expenses incurred by the Sponsoring Broker to the Offer in relation to this Prospectus and the Offer. In addition, the Sponsoring Broker will receive up to 1,000,000 shares in the Company for agreeing to act as Sponsoring Broker in relation to the Offer.

11.11 Consents to be Named

Each of the parties referred to in this section:
(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Malcolm Castle has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to the inclusion in this Prospectus of its **Independent Geologist's Report** and to all statements referring to that report in the form and context in which they appear in this Prospectus.

Metalitics Pty Ltd has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to the inclusion in this Prospectus of its **Iron Ore Industry Overview** and to all statements referring to that report in the form and context in which they appear in this Prospectus.

BDO Kendalls Corporate Finance (WA) Pty Ltd has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to the inclusion of its **Investigating Accountant's Report** and to all statements referring to that report in the form and context in which they appear in this Prospectus.

Lawton Gillon has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to the inclusion in this Prospectus of its **Independent Solicitor's Report** and to all statements referring to that report in the form and context in which they appear in this Prospectus.

Each of the following has consented to being named in this Prospectus in the capacity noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:
(a) Malcolm Castle, as independent geologist;
(b) Metalitics Pty Ltd, as iron ore market researchers;
(c) BDO Kendalls Corporate Finance (WA) Pty Ltd, as investigating accountants;
(d) BDO Kendalls Audit & Assurance (WA) Pty Ltd as the auditor of the Company;

(e) Lawton Gillon, as solicitors to the Company;
(f) Security Transfer Registrars Pty Ltd, as the Share Registry to the Company; and
(g) Findlay & Co Stockbrokers Ltd, as Sponsoring Broker.

11.12 Costs of the Issue

The total estimated costs of the Offer will be approximately $539,603 (exclusive of GST) of which $142,507 has been paid to date, made up as follows:

• Independent Market Review	$25,000
• Independent Geologist's fees	8,000
• Accounting fees	7,500
• Legal fees	40,000
• ASX Listing and ASIC fees	33,595
• Brokerage and management fee	300,000
• Cash consideration to Vendors	58,000
• Printing and Mailing Fees	29,708
• Stamp Duty	15,800
• Miscellaneous	22,000
	$539,603

11.13 Electronic Prospectus

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Application Form on the basis of a paper prospectus lodged with the ASIC, and the issue of Shares in response to an electronic Application Form, subject to compliance with certain conditions. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at admin@ironroadlimited.com.au and the Company will send to you free either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at: www.ironroadlimited.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application monies received will be dealt with in accordance with section 722 of the Corporations Act.

11.14 Governing Law

This Prospectus and the contracts which arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

12 DIRECTORS' STATEMENT AND CONSENT

For the purposes of the Corporations Act, the Directors state that they have made all reasonable inquiries and have reasonable grounds to believe that any statements made by the Directors in this Prospectus are true and not misleading. This Prospectus is prepared on the bases that:

(a) certain matters may be reasonably expected to be known to professional advisers of any kind with whom Applicants may reasonably be expected to consult; and

(b) information is known to Applicants or their professional advisers by virtue of any acts or laws of Western Australia or the Commonwealth of Australia.

The Board has authorised the issue of this Prospectus, each Director has consented to lodgement of the Prospectus with the ASIC and has not withdrawn that consent.

Dated 18 April 2008

Signed on behalf of Iron Road Limited

Andrew J Stocks
Director

13 DEFINED TERMS

Where the following terms are used in this Prospectus, they have the following meanings:

Applicant(s) means a person(s) who submits a valid Application Form pursuant to this Prospectus.

Application means a valid application for Shares pursuant to this Prospectus.

Application Form means the application form attached to and forming part of this Prospectus or a personalised Priority Application Form sent separately with a Prospectus.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors of the Company.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means 5.00 pm WST on 26 May 2008 or such other date as determined by the Directors.

Company means Iron Road Limited (ABN 51 128 698 108).

Corporations Act means the Corporations Act 2001 of Australia.

Directors means the directors of the Company from time to time.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus with the ASIC, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act 2001.

Listing Rules means Listing Rules of the ASX.

Offer means the offer of Shares pursuant to this Prospectus, encompassing both the Public Offer and the Priority Offer.

Offer Period means the period during which the Offer remains open under this Prospectus.

Official List means the Official List of the ASX.

Official Quotation means official quotation by the ASX in accordance with the Listing Rules.

Opening Date means 9.00 am WST on 28 April 2008.

Option means an option to subscribe for a Share.

Priority Offer Record Date means 5:00pm WST 23 April 2008.

Prospectus means this prospectus.

Securities means the Shares and Options offered pursuant to this Prospectus.

Share means 1 fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

WST means western standard time, Perth, Western Australia.

View over the Warramboo Iron Project

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing the form. To meet the requirements of the Corporations Act, this Application Form must not be handed unless attached to the prospectus.

Iron Road limited

ABN 51 128 698 108

Broker Stamp

Share Registrar Stamp

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for

Shares in Iron Road Limited at 20c per Share
or such lesser number of Shares which may be allocated to me/us by the Directors.

B **I/We lodge full Application Money**

A$.

(Cheques to be payable to **"Iron Road Limited - Subscription Account"**)

C **Full name (Title, given name(s) and surname or company name**

Joint applicant 2

Joint applicant 3

D **Postal Address**

Street Number Street Name

City/Suburb/Town State Postcode

E **Contact name** **Home telephone number** **Work telephone number**

F **ACN/ARBN** (for companies only) **Email adress**

G **Tax file number or exemption** **Applicant 2** **Applicant3**

H **CHESS HIN** (if applicable)

PAYMANT DETAILS

Please enter details of the cheque(s) that accompany this application

I **Cheque Details**

Drawer	Bank	Branch	Amount of cheque

Drawer	Bank	Branch	Amount of cheque

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate.

I/we agree to be bound by the Constitution of the Company. See back of form for completion guidelines

HOW TO COMPLETE THE APPLICATION FORM

A Shares Applied for
Enter the number of shares you wish to apply for. The application must be for a minimum of (10,000) shares. Applications for greater than (10,000) shares must be multiples of (1000) shares.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of shares by the price per share.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable names. Applications using the wrong form of names may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS HIN (if applicable)
Iron Road Limited Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment
Make your cheque or bank draft payable to Iron Road Limited Subscription Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box C.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be represented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Entitlement and Acceptance

Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which the application relates. By lodging the Application Form, the applicant agrees that this application for shares in Iron Road Limited is upon and subject to the terms of the prospectus and the constitution of Iron Road Limited, agrees to take any number of shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

To meet the requirements of the Corporations Act, this application form must not be distributed unless included in, or accompanied by, the prospectus.

Lodgement of Application

Application Forms must be received at the Perth office of Security Transfer Registrars Pty Ltd by no later than 5pm WST on 26 May 2008. Return the Application Form with cheque(s) attached to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS 6153
Western Australia

OR

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS 6153
Western Australia

All personal information collected in this application form will be handled in accordance with the Privacy Act 1988.

Iron Road Limited and Security Transfer Registrars Pty Ltd will use your personal information to:
- arrange the issue of new shares; and
- maintain Limited register of securityholders, facilitate distribution payments and other corporate actions and communications.

In using your personal information for these purposes, Iron Road Limited and Security Transfer Registrars Pty Ltd may have to disclose this information to particular organisations under certain circumstances. These organisations may include auditors, legal or accounting firms used in respect of the administration of your holdings.

If you do not consent to these uses or disclosures of your personal information you should not complete this application form.

If you wish to know what personal information Iron Road Limited and Security Transfer Registrars Pty Ltd holds about you, you may contact the Company at its Head Office or Security Transfer Registrars Pty Ltd at the address above.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing the form. To meet the requirements of the Corporations Act, this Application Form must not be handed unless attached to the prospectus.

Iron Road limited

ABN 51 128 698 108

Broker Stamp

Share Registrar Stamp

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for

Shares in Iron Road Limited at 20c per Share
or such lesser number of Shares which may be allocated to me/us by the Directors.

B **I/We lodge full Application Money**

A$.

(Cheques to be payable to **"Iron Road Limited - Subscription Account"**)

C **Full name (Title, given name(s) and surname or company name**

Joint applicant 2

Joint applicant 3

D **Postal Address**

Street Number Street Name

City/Suburb/Town State Postcode

E **Contact name** **Home telephone number** **Work telephone number**

F **ACN/ARBN** (for companies only) **Email adress**

G **Tax file number or exemption** **Applicant 2** **Applicant3**

H **CHESS HIN** (if applicable)

PAYMANT DETAILS

Please enter details of the cheque(s) that accompany this application

I **Cheque Details**

Drawer	Bank	Branch	Amount of cheque

Drawer	Bank	Branch	Amount of cheque

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate.

I/we agree to be bound by the Constitution of the Company. See back of form for completion guidelines

HOW TO COMPLETE THE APPLICATION FORM

A Shares Applied for
Enter the number of shares you wish to apply for. The application must be for a minimum of (10,000) shares. Applications for greater than (10,000) shares must be multiples of (1000) shares.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of shares by the price per share.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable names. Applications using the wrong form of names may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS HIN (if applicable)
Iron Road Limited Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment
Make your cheque or bank draft payable to Iron Road Limited Subscription Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box C.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be represented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Entitlement and Acceptance

Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which the application relates. By lodging the Application Form, the applicant agrees that this application for shares in Iron Road Limited is upon and subject to the terms of the prospectus and the constitution of Iron Road Limited, agrees to take any number of shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

To meet the requirements of the Corporations Act, this application form must not be distributed unless included in, or accompanied by, the prospectus.

Lodgement of Application

Application Forms must be received at the Perth office of Security Transfer Registrars Pty Ltd by no later than 5pm WST on 26 May 2008.
Return the Application Form with cheque(s) attached to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS 6153
Western Australia

OR

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS 6153
Western Australia

All personal information collected in this application form will be handled in accordance with the Privacy Act 1988.

Iron Road Limited and Security Transfer Registrars Pty Ltd will use your personal information to:
- arrange the issue of new shares; and
- maintain Limited register of securityholders, facilitate distribution payments and other corporate actions and communications.

In using your personal information for these purposes, Iron Road Limited and Security Transfer Registrars Pty Ltd may have to disclose this information to particular organisations under certain circumstances. These organisations may include auditors, legal or accounting firms used in respect of the administration of your holdings.

If you do not consent to these uses or disclosures of your personal information you should not complete this application form.

If you wish to know what personal information Iron Road Limited and Security Transfer Registrars Pty Ltd holds about you, you may contact the Company at its Head Office or Security Transfer Registrars Pty Ltd at the address above.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Iron Road Limited cares about our Environment.

This Prospectus is printed using vegetable based inks on paper that is chlorine free and manufactured from pulp sourced from plantation grown timber.

Iron Road limited

www.ironroadlimited.com.au

www.ironroadlimited.com.au

admin@ironroadlimited.com.au

ABN 51 128 698 108