

About Iron Road

Iron Road was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio comprised of an advanced stage exploration project with excellent infrastructure nearby, complimented by early stage projects.

Iron Road's principal project is the Warrambo Iron Project in South Australia. Early test work indicates that a high quality iron concentrate may be produced grading approximately 70.3% iron. Warrambo is complemented by early stage projects prospective for iron ore mineralisation in Western Australia (Windarling, Murchison) and South Australia (West Gawler).

The Company has a distinguished Board and management team that are multi-disciplinary and experienced in the areas of exploration, project development, mining and finance.

Iron Road continued its high level of activities aimed at advancing its flagship Warrambo iron project towards pre-development status. The Stage II phase of drilling was completed and forms part of a planned initial three stage programme with a view to establishing a long-life +5Mtpa export operation. Test work from the Stage I drilling programme successfully indicated that a high quality concentrate may be produced from Warrambo grading ~70.3% iron with low impurities.

Highlights

Warrambo

- Stage II RC and diamond drilling programme completed at the Boo-Loo project area.
- Resource estimate for Boo-Loo is currently being prepared by Coffey Mining following the guidelines of the JORC (2004) Code.
- Extended metallurgical test work and scoping study underway by ProMet.
- Global exploration target size for Warrambo EL3699 in preparation.

West Gawler

- Field chip sampling programme commenced at Mt Christie.
- Detailed aeromagnetic survey planning completed and tenders received.

Windarling

- Exercised option over three granted tenements at Windarling.

Corporate

- Sale of Unmarketable Parcels of shares completed.



Figure 1 - Stage II drilling successfully completed during the Quarter

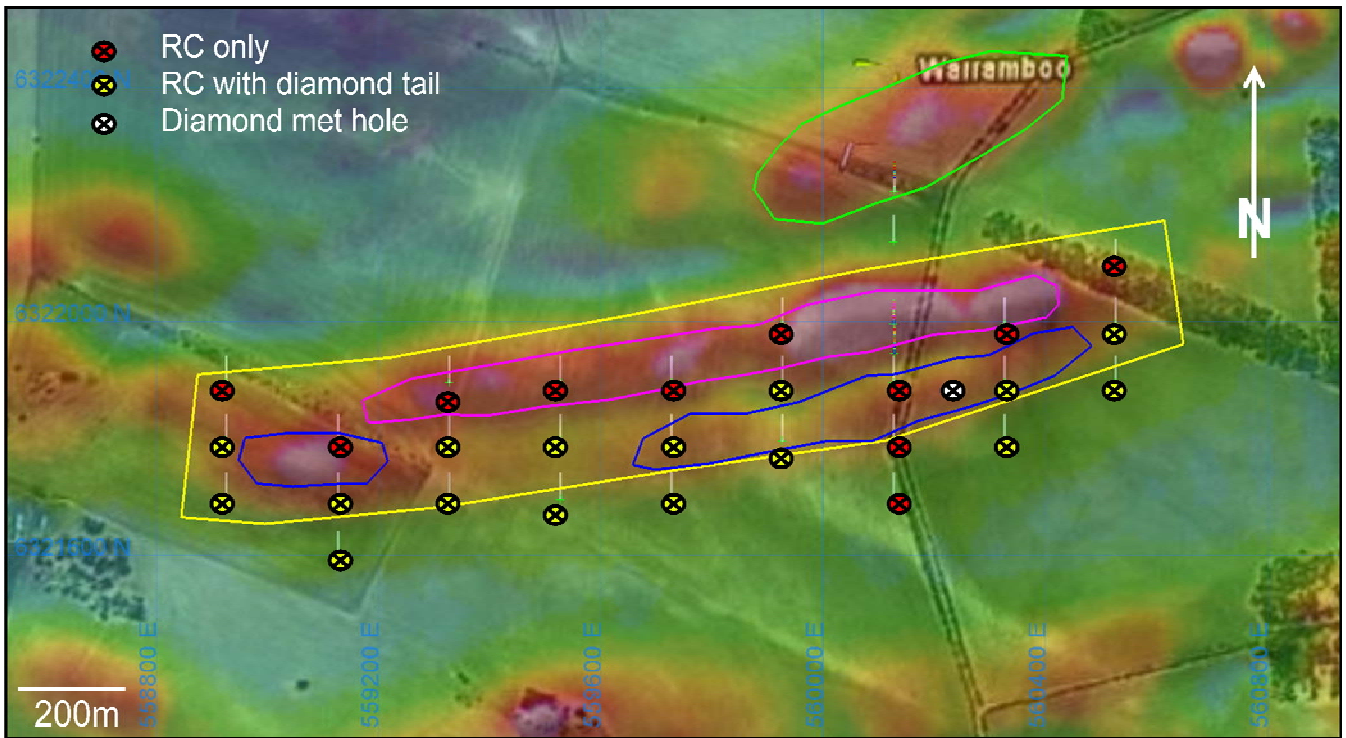


Figure 3 - Stage II drill holes at the Boo-Loo project.
Collar positions and drill hole traces are superimposed on the Total Magnetic Intensity (TMI) image.

Drilling has confirmed continuity over the entire 1.7km of two magnetite zones; a lower or main zone comprising three magnetite units of up to a combined 70m true thickness and a thinner zone in the hangingwall consisting of two magnetite units of up to approximately 40m combined true thickness. The zones dip at approximately 45-60° in this area and the magnetite units are open at depth. A resource estimate is currently being prepared following the guidelines of the JORC (2004) Code by Coffey Mining. An announcement of the results of this estimate is expected to be made during the next few weeks.

In addition to the resource drilling at Boo-Loo, a dedicated (HQ) metallurgical hole was drilled to provide material for an extended metallurgical test work programme under the guidance of specialist metallurgical engineers, ProMet. This material is currently undergoing tests at AMMTEC's laboratories and includes a dry magnetic separation test work programme.

A global exploration target size for Warrambo EL3699 will be announced during the next Quarter. The Company estimates that Warrambo has in excess of 50km strike length of magnetite and is highly prospective to host a large and significant exploration target.



Figure 4 - Julian Gosse (Chairman) and Ian Hume (Director) being updated on site by Larry Ingle (General Manager)

South Australia – West Gawler



Figure 5 - Mick Tschaban (Project Geologist) and Larry Ingle (General Manager) on site

The West Gawler project area is located on the Trans Australian Railway and within 100 kilometres of the Adelaide-Darwin Railway in South Australia (Figure 6). The Project area includes over ten areas of known iron occurrences, including the Mt Christie deposit which was the subject of beneficiation test work in the 1960's by the South Australian Department of Mines.

During the last quarter the Company completed a geophysical review of the existing data. Based on recommendations from this work the strategy for exploration activities and investigation was refined. Field chip sampling has commenced at Mt Christie and a detailed aeromagnetic survey planned. Tenders for the survey have been received and award is expected during the next Quarter.

Western Australia

Iron Road exercised its option over the three tenements of primary interest at Windarling and is awaiting confirmation of the transfer from the Department of Mines and Petroleum (WA).

A field trip was conducted to Windarling to review a proposed plan of ground work.

CORPORATE

Sale of unmarketable parcels of shares

The Company incurs considerable costs to administer shareholdings and to provide reports, Notices of Meetings and other information to its shareholders. Consequently Iron Road announced during the Quarter its intention to sell unmarketable parcels of its shares. The closing price of the Company's shares immediately prior to the date of the notice was 8.9 cents and therefore an unmarketable parcel was deemed to be 5,618 or less shares.

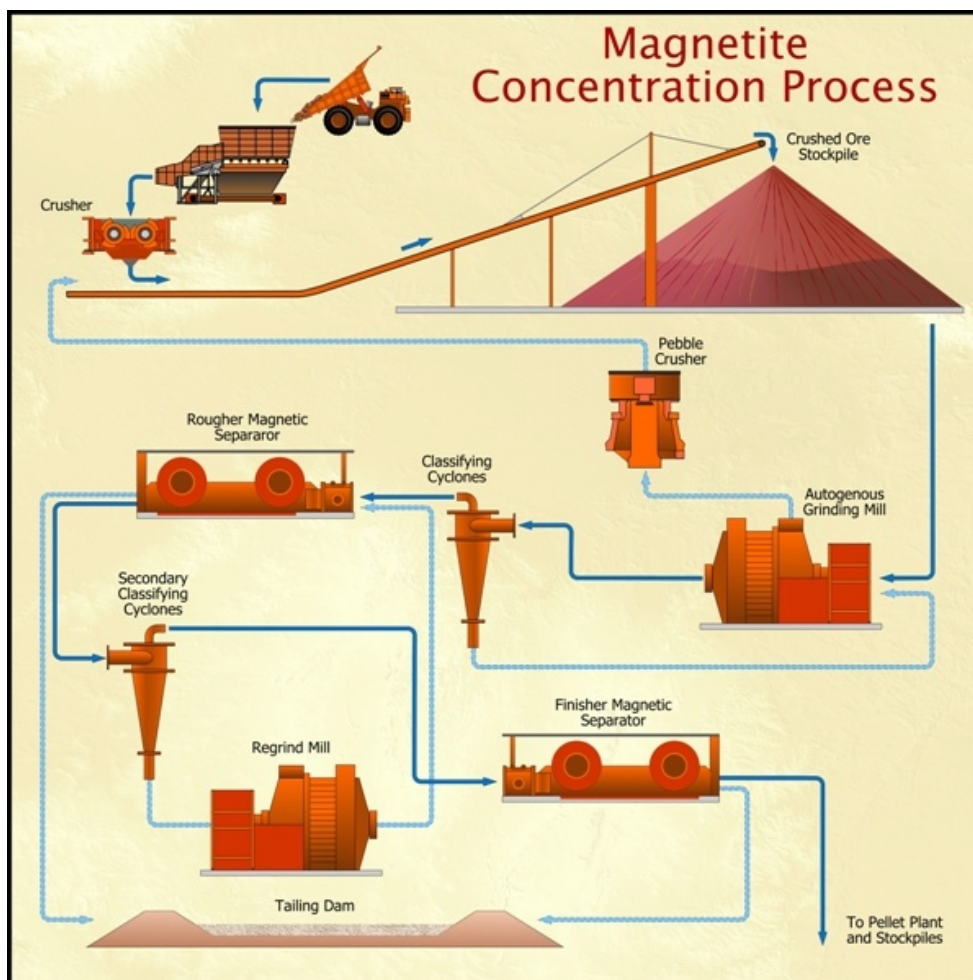
As at the expiry date the unmarketable parcels comprised a total of 1,526,769 shares held by 773 shareholders. The shares were placed through the company's advisers AFG Venture Group at 12 cents per share.

ADDITIONAL INFORMATION

Glossary

- DTR** Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist mineral body assessment for magnetite, hematite or combinations thereof.
- XRF** X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).
- Hematite** Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe_2O_3), one of several iron oxides.
- Magnetite** Magnetite is a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula Fe_3O_4 and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

Simplified Magnetite Process Flow



Competent Person's Statement

The information in this report that relates to Exploration Results is based on and accurately reflects information compiled by Mr Larry Ingle, who is a fulltime employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

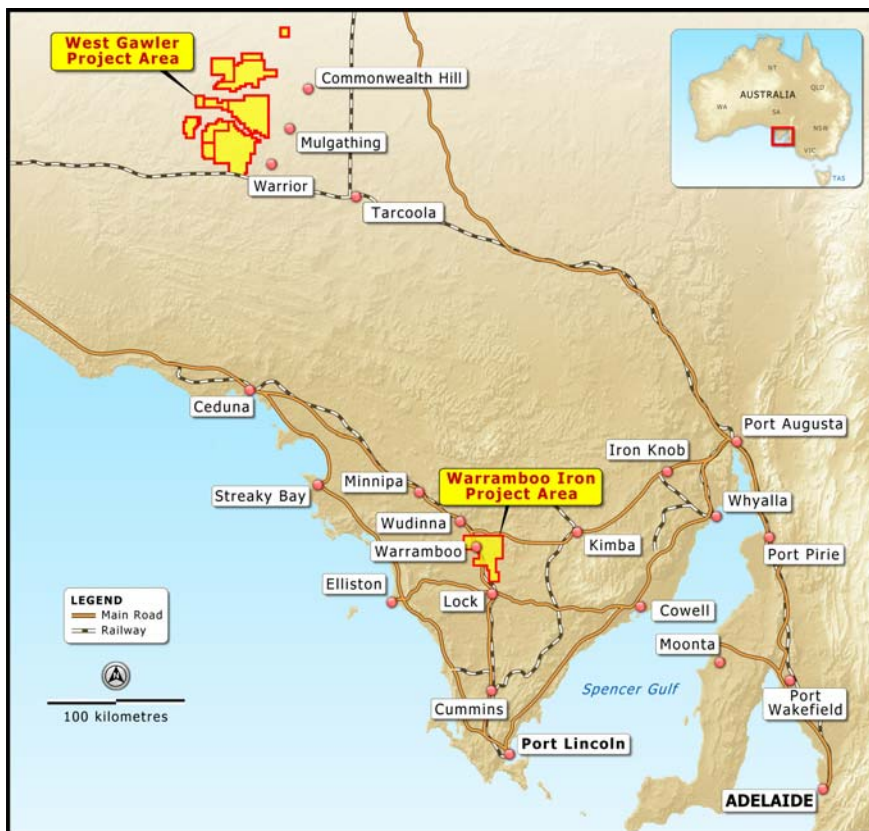


Figure 6 - Location of the South Australian projects.

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

IRON ROAD LIMITED

ABN

51 128 698 108

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from tax returns and related debtors	-	10
1.2 Payments for		
(a) exploration and evaluation	(983)	(3,012)
(b) development	-	-
(c) production	-	-
(d) administration	(116)	(561)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	189
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST to be recouped)	(56)	(115)
Net operating cash flows	(1,138)	(3,489)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(25)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (state if material)	-	-
Net investing cash flows	-	(25)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,138)	(3,514)
Cash flows related to financing activities			
1.14	Proceeds from shares /shares to be issued	-	262
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Proceeds from release of tenement bond	-	-
1.19	Other (Cost of Capital Raising/Prospectus)	-	(109)
	Net financing cash flows	-	153
	Net increase (decrease) in cash held	(1,138)	(3,361)
1.20	Cash at beginning of quarter/year to date	2,672	4,895
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,534	1,534

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	92
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	213	567
5.2 Deposits at call	1,321	2,105
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,534	2,672

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

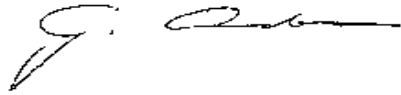
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	54,650,000	28,637,500		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,125,000 7,500,000 2,000,000 3,000,000 27,325,017	27,325,017	<i>Exercise price</i> 20 cents 35 cents 20 cents 35 cents 20 cents	<i>Expiry date</i> 22/1/13 22/1/13 11/3/13 6/8/13 30/9/10
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	1,500,000	-	35 cents	6/8/13
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date 29 July 2009
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS ANDERSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.