Quarterly Activities Report

for the period ended 30 September 2009

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 Central Eyre Iron Project in South Australia. Early test work indicates that a high quality iron concentrate may be produced grading approximately 70.3% iron. The Central Eyre Iron Project 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.

ASX Codes – IRD, IRDO

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Iron Road continued its high level of activities aimed at advancing the flagship Central Eyre Iron Project, which is currently at pre-development status. At Boo-Loo within the Warramboo portion of the Central Eyre project, a maiden Resource estimate was completed and an independent assessment of the project lead to a nationally significant global exploration target for the tenement. A field chip sampling programme at the Gawler Iron Project indicated good potential for direct shipping ore (DSO) hematite. This work was followed up by a detailed aeromagnetic survey that covered a large part of the prospective area centred on Mt Christie.

Highlights

Central Eyre Iron Project

- 110Mt Inferred Mineral Resource estimate for Boo-Loo compliant with the guidelines of the JORC (2004) Code.
- 2.8 – 5.7 billion tonne global exploration target (EL3699).
- Continued progress on metallurgical test work.

Gawler Iron Project

- Hematite mineralisation confirmed – potential direct shipping ore projects indentified.
- Field sampling programme returns encouraging results.
- Detailed aeromagnetic survey completed to support planning for exploratory drilling.

Corporate

- Institutional placement raises $2.46M before costs.

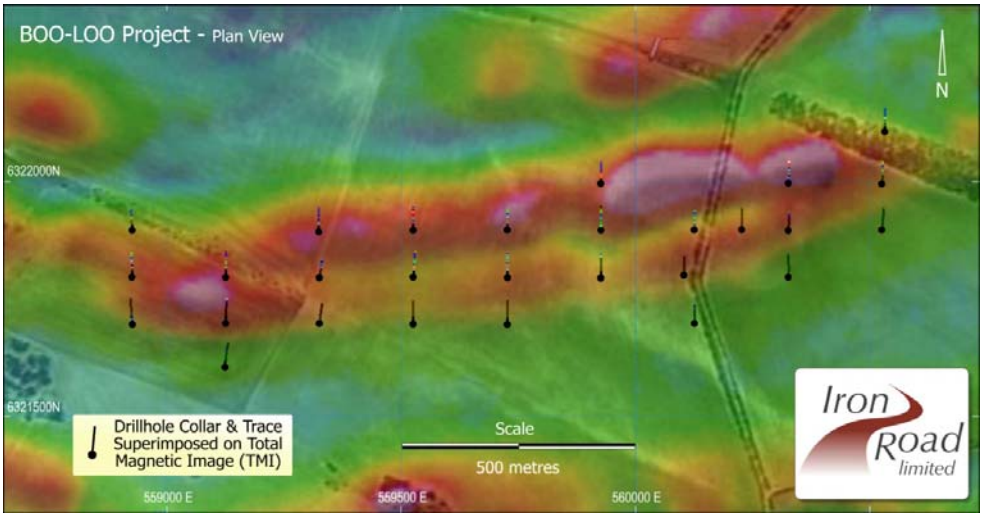


Figure 1 - Stage II drill holes at the Boo-Loo project. Collar positions and drill hole traces are superimposed on the Total Magnetic Intensity (TMI) image.

Projects

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (663km^2) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warramboo, Kopi and Hambidge. The project is located in a grain farming area with good infrastructure. Community relationships and support is excellent with great interest shown in possible development scenarios.

Boo-Loo Mineral Resource Estimate

Stage II RC and diamond drilling encompassed systematic pattern drilling of an area colloquially known as Boo-Loo (Figure 1). The drilling programme concluded in early June 2009.

Drilling confirmed continuity of magnetite gneiss over the entire 1.7km strike selected with two magnetite zones identified; a lower or main zone comprising three magnetite units of up to a combined 70m true thickness and a thinner upper zone in the hanging wall consisting of two magnetite units of up to 40m combined true thickness. The zones dip at approximately 45-60^o in this area and the magnetite units are open at depth (Figure 2).

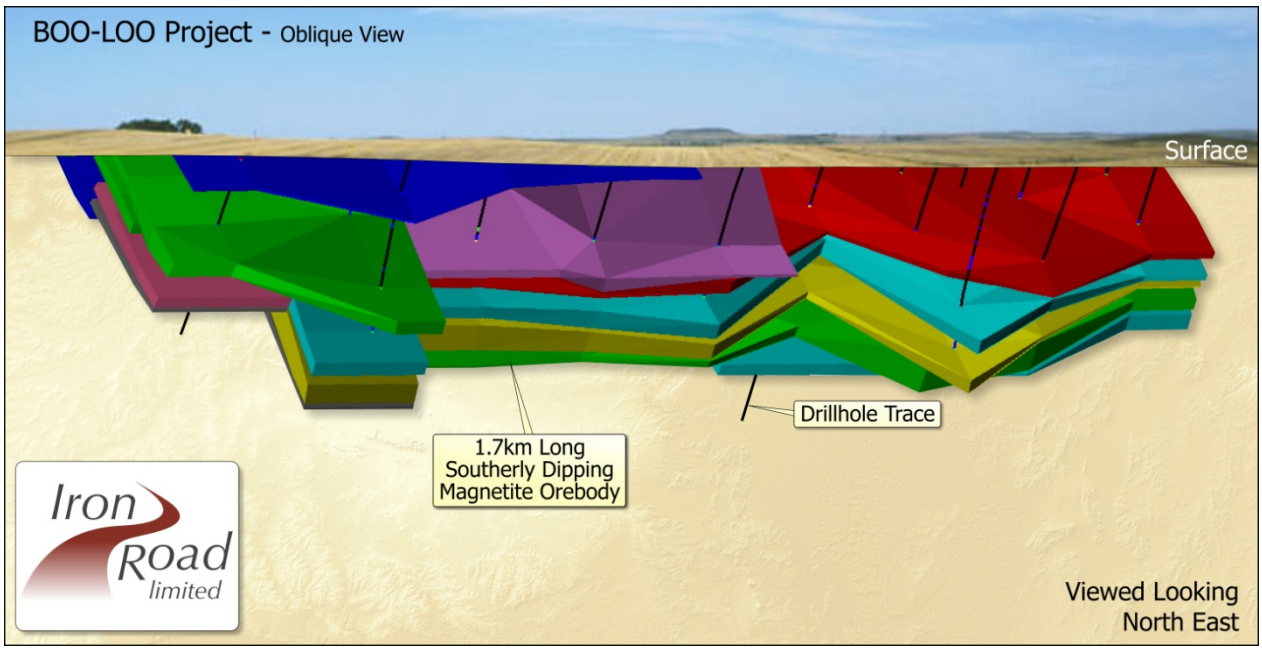


Figure 2 - Three dimensional long section through Boo-Loo Resource block model.

A resource estimate was prepared by Coffey Mining following the guidelines of the JORC (2004) Code. The inferred mineral resource estimate report of 110Mt was announced on 7 August 2009 and is presented in the summary table overleaf.

Boo-Loo Resource Estimate							
Resource Classification	**Material Type**	**Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Inferred	Fresh	87.5	19.4	51.0	11.1	0.10	1.2
	Transitional	4.1	19.3	46.7	12.2	0.06	7.1
	Oxide	18.9	19.6	46.2	12.5	0.06	7.6
Total		110.5	19.4	50.0	11.4	0.09	2.5

The Warramboo resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd following two drilling programmes undertaken over the past year.

Test work confined to the 1.7km portion under investigation at Boo-Loo resulted in an indicative average concentrate grade of 69.9% iron with a mass recovery of 21.8% for the fresh material. This compares favourably to the results of the Stage I drilling programme that resulted in an indicative average of 70.3% iron across the northern-most part of the Warramboo prospect (see table below). Significantly, an excellent link was demonstrated between target exploration methodology and resulting defined resources.

Indicative Concentrate Specifications						
Project	**Fe %**	**Mass Rec %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Stage 1 drilling *	70.3	21.0	1.0	0.8	0.00	-3.3
Boo-Loo **	69.9	21.8	1.3	1.0	0.00	-2.8
P80 passing 40µm * based on 72 DTR composites across the upper portion of the Warramboo deposit from Stage I drilling ** based on 396 DTR composites across the Boo-Loo Project only						

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 has undergone various tests at AMMTEC's laboratories and includes a dry magnetic separation test work programme.

Global Exploration Target

On 1 September 2009 a global exploration target size for Warramboo EL3699 was announced. The review of exploration potential was undertaken by Coffey Mining, utilising available information, including historical data, geophysics, drill analysis and assays. This interpretation suggests an exploration potential of between 2.8 - 5.7 billion tonnes of magnetite gneiss at the Central Eyre Iron Project. Magnetic anomalies indicate potential for at least 95km cumulative strike length of magnetite gneiss over the project area (Figure 3). The substantial target suggests potential for necessary project size and status to justify a standalone export operation.

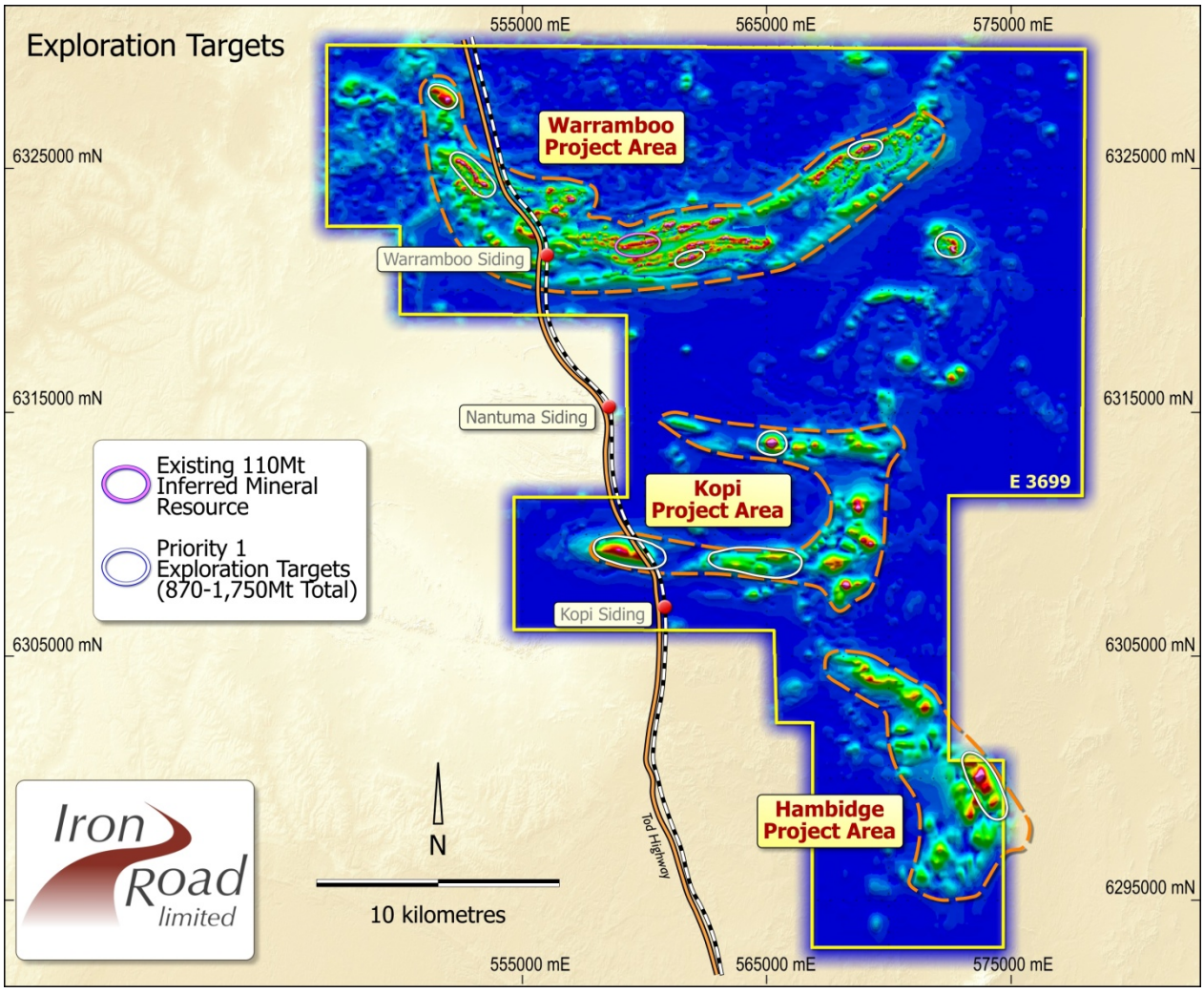


Figure 3- Existing inferred mineral resource and priority 1 exploration targets at Warramboo

The Coffey Mining summary is supported by a more detailed study report. The exploration target is summarised in the table below. The exploration target excludes the 110Mt inferred Mineral Resource announced on 7 August 2009.

Conceptual Magnetite Gneiss Exploration Target		
Priority	Strike Length (km)	Tonnage
1	25	870-1,750Mt
2	54	2,000-4,000Mt
Total	*79*	*2,870-5,750Mt*

The information in this report relating to exploration targets should not be misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo prospect.

The exploration target marks completion of the initial development evaluation and commencement of the early pre-development phase of the Central Eyre Iron Project. There is strengthening potential for the Central Eyre project to be one of the major magnetite iron ore projects currently under review in Australia.

South Australia - Gawler Iron Project

The Gawler Iron Project is located 25km north of the Trans Australian Railway and within 100 kilometres of the Central Australia Railway in South Australia (Figure 4). Iron Road has a farm-in agreement with tenement holder Dominion Mining to earn up to 90% interest in the iron ore rights.

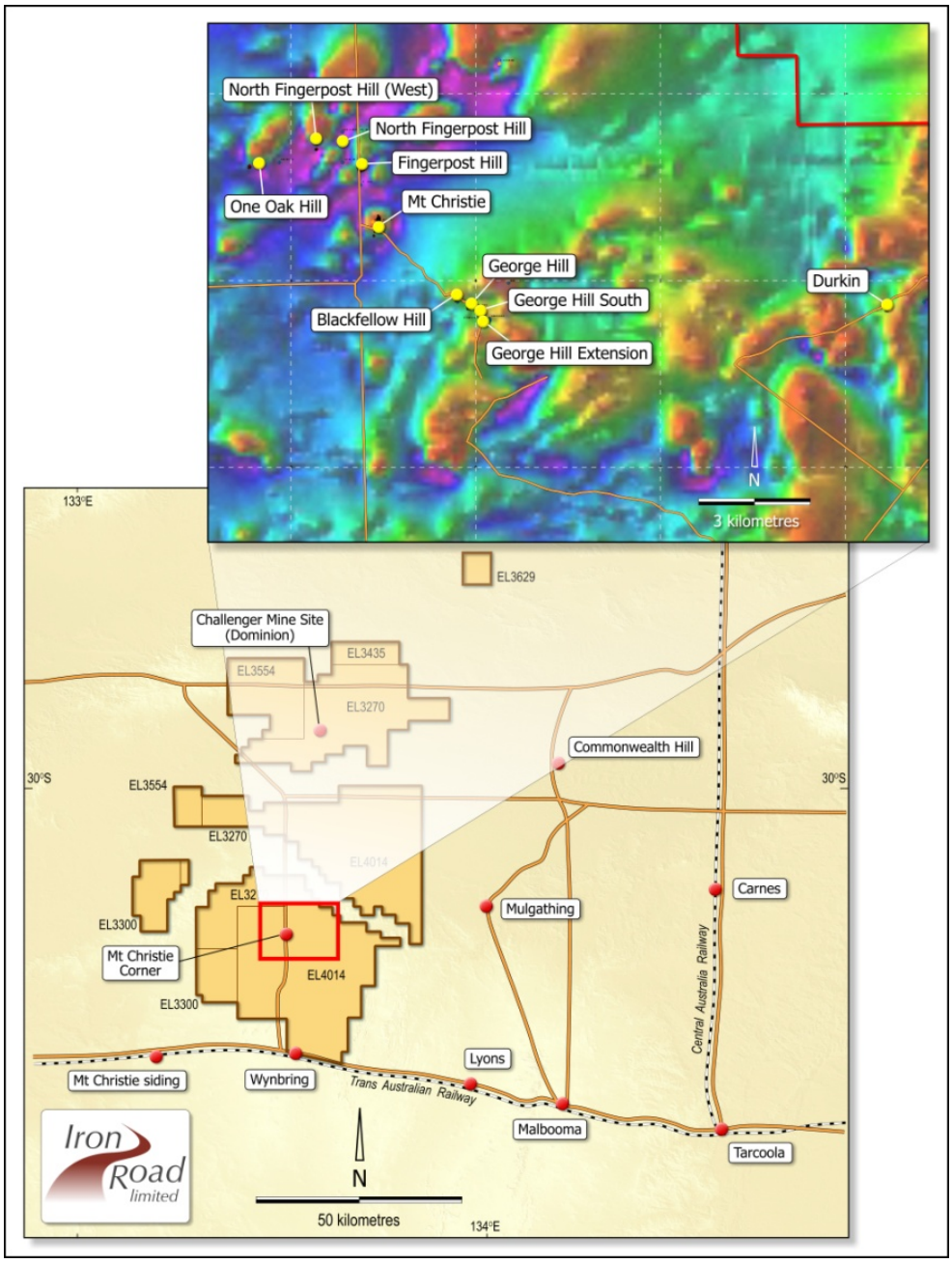


Figure 4 - West Gawler tenements highlighting field sampled iron occurrences, superimposed on regional aeromagnetic image.

The Project area includes over ten areas of known iron occurrences, including the Mt Christie deposit that was the subject of selected drilling and beneficiation test work in the 1960's by the South Australian Department of Mines (SADME). The test work indicated that lower grade hematite mineralization is amenable to upgrading using simple mechanical processes. The Company evaluated all historical data and Hawke Geophysics completed a geophysical review of the area.

Based on recommendations from this work a strategy for exploration activities and investigation was developed. During July 2009 a field chip sampling programme commenced in the Mt Christie area on EL4014 (Mulgathing) and a detailed aeromagnetic survey was planned and finalised.

On 8 September 2009 Iron Road announced the results of the chip sampling programme. A total of 252 in-situ rock chip and grab samples from ten localities at the West Gawler project returned an average grade of 53.4% Fe (55.7% CaFe*) from all samples collected. Several chip samples returned grades of >60% Fe with low silica, alumina and phosphorous indicating potential suitability for direct shipping ore (DSO).

A summary showing averages of all samples by location is included in the table below:

Locality	Fe (%)	CaFe* (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)
Mount Christie	53.6	55.3	18.5	1.4	0.12	0.04	3.0
One Oak Hill	58.6	61.4	9.0	1.9	0.03	0.09	4.7
North Finger Post Hill	56.2	59.7	8.1	5.1	0.05	0.06	5.8
George Hill	57.7	59.8	11.1	2.1	0.06	0.07	3.6
George Hill South	53.6	56.7	14.1	2.4	0.11	0.06	5.5
George Hill Extension	47.7	50.2	24.5	1.7	0.15	0.07	4.8
Blackfellow Hill	50.8	53.3	20.0	1.7	0.11	0.05	4.7
North Fingerpost Hill (West)	53.0	54.3	20.6	0.8	0.05	0.04	2.3
Fingerpost Hill	51.9	55.1	12.4	6.6	0.04	0.06	5.9
Durkin	47.4	52.0	17.0	4.4	0.09	0.10	8.8
Average	53.4	55.7	16.8	2.2	0.09	0.05	4.0

*CaFe% is calcined Fe calculated using the formula (Fe%(100-LOI%))x100

Shortly after the field sampling results at West Gawler were published, the Company announced on 16 September 2009 that a detailed aeromagnetic survey had commenced at West Gawler. This survey will support planning for exploratory drilling and progresses the farm-in agreement with Dominion Mining to earn up to 90% interest in the strategically located tenements.

The detailed survey, undertaken by Thomson Aviation over a large portion of EL4014 (Mulgathing), covers all known iron occurrences. The survey line spacing is 50m, flown at a mean height of 35m for a total of 5,319 line kilometres (Figure 8). Hawke Geophysics will analyse and interpret the data and make recommendations on focussed ground gravity surveys.

Figure 5 - A Cessna Series 210L was used as the survey platform at the Gawler Iron Project.

CORPORATE

Institutional Placement

Iron Road successfully completed an institutional placement at 30 cents per share to raise $2.46 million before costs. Proceeds from the raising are being used to fund work at the Central Eyre and Gawler projects.

The Company's largest shareholder, The Sentient Group, continued to demonstrate its support by subscribing to the placement and in the process increasing its holding to 25%.

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).

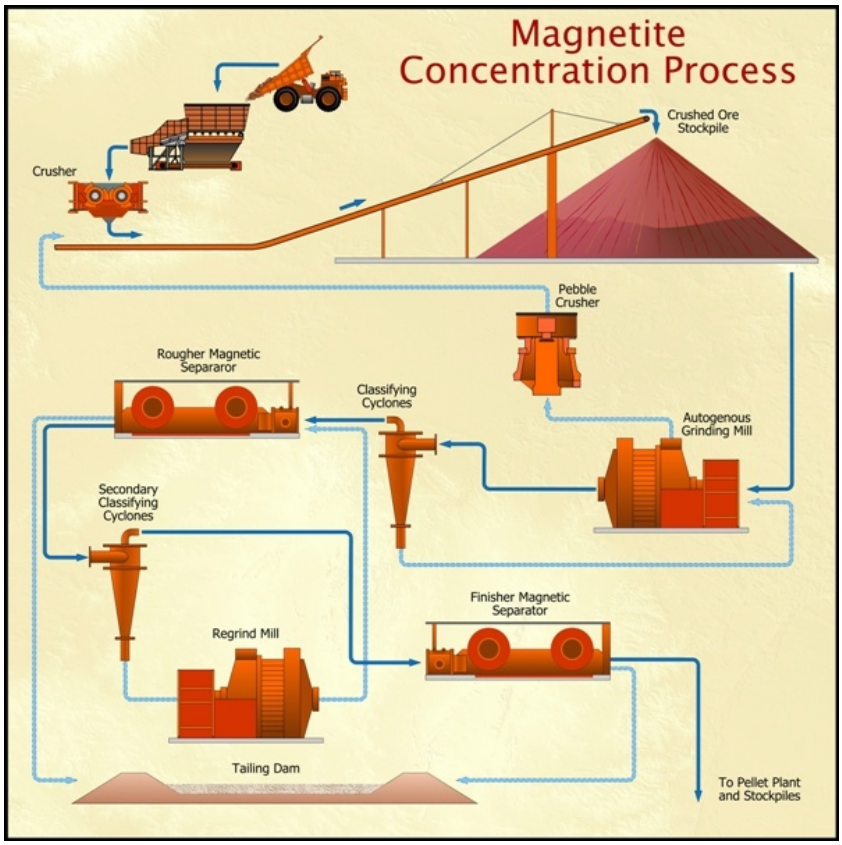
Hematite – Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe_2O_3), one of several iron oxides.

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.

Aeromag survey – Short for aeromagnetic survey, an aeromag survey is a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

Gravity survey – A geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

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.

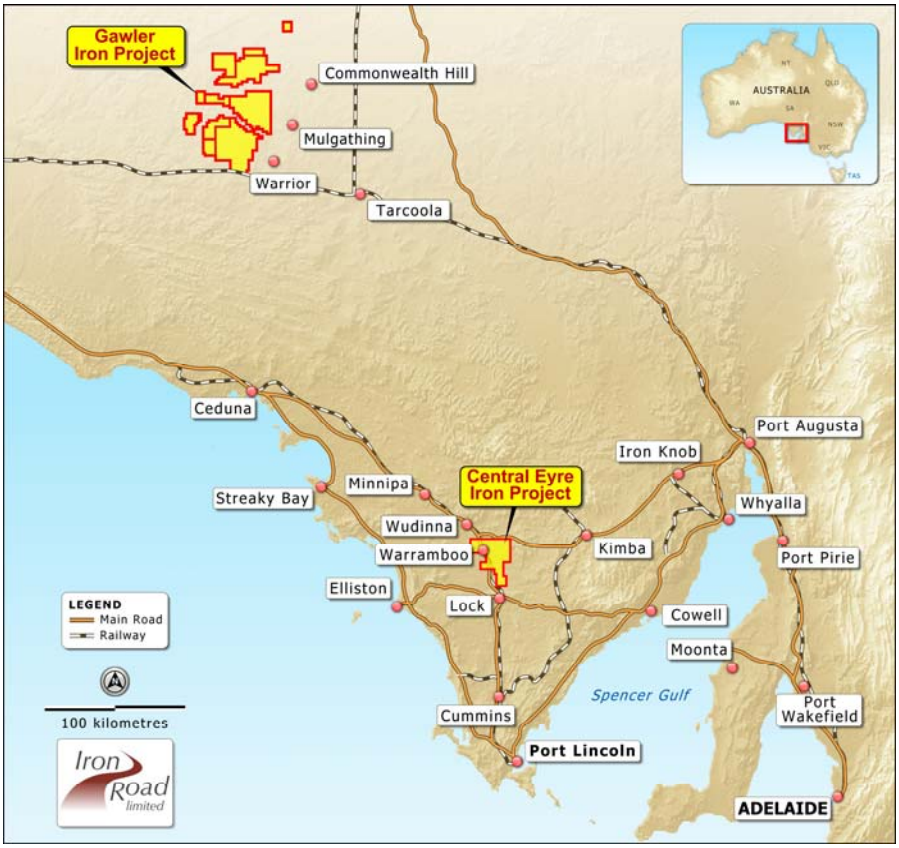


Figure 6 - Location of the Company's South Australian projects

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.

The information in this report that relates to exploration potential is based on and accurately reflects information compiled by Mr Albert Thamm, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thamm 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 Thamm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears on 31 August, 2009 in West Perth.

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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	Quarter ended ("current quarter")
51 128 698 108	30 September 2009

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from tax returns and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(758)	(758)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(284)	(284)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST to be recouped)	38	38
	Net operating cash flows	(997)	(997)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(2)
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	(2)	(2)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(999)	(999)
	Cash flows related to financing activities		
1.14	Proceeds from shares /shares to be issued	2,574	2,574
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)	(45)	(45)
	Net financing cash flows	2,529	2,529
	Net increase (decrease) in cash held	1,530	1,530
1.20	Cash at beginning of quarter/year to date	1,536	1,536
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	3,066	3,066

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	120
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

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	750
4.2	Development	-
	Total	750

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	439	215
5.2	Deposits at call	2,627	1,321
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**3,066**	**1,536**

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	E77/1236 E77/1237 E77/1245	Granted Granted Granted	Option to purchase Option to purchase Option to purchase	100% 100% 100%

+ See chapter 19 for defined terms.

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.

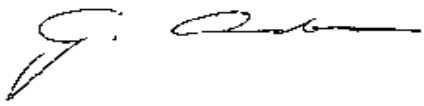
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	63,374,869	37,362,369		Fully paid
7.4	Changes during quarter (a) Increases through issues	8,197,001 527,868	8,197,001 527,868	30 cents 20 cents	Fully paid Fully paid
	(b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	7,125,000 7,500,000 2,000,000 3,000,000 26,797,149	 26,797,149	*Exercise price* 20 cents 35 cents 20 cents 35 cents 20 cents	*Expiry date* 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	527,868	527,868	20 cents	30/9/10
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.



Sign here: ..... Date 26 October 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.