GAWLER IRON PROJECT PROGRESS UPDATE

Iron Road Limited (Iron Road, ASX: IRD, IRDO) is pleased to announce that significant progress has been made at the Gawler Iron Project in South Australia. Planned commencement Company's maiden drilling programme at Gawler remains within Q1 2010.

Highlights

- Heritage clearance granted by the Antakarinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) on behalf of the native title claimants.
- Appointment of Dr Fop Vanderhor, former United Minerals Corporation Exploration Manager, as Project Manager.
- Identification of several high priority hematite direct shipping ore (DSO) targets from analysis of high resolution aeromagnetic and gravity anomalies.
- Exploration model shows potential for mineralisation with an analogy to Cliffs Natural Resources' Koolyanobbing iron deposit, in Western Australia.
- RC and diamond drilling programme planning in progress. Commencement of program expected within Q1 2010.

Successful Heritage Clearance

A heritage survey was undertaken on 16 January 2010 in the vicinity of Mt Christie with the Antakarinja Matu-Yankunytjatjara native title claimants. This survey covers two areas that occur within EL4014 (Mulgathing). Both areas have been cleared for RC and diamond drilling with access only to the ridge comprising Mt Christie itself being restricted. Access to the areas to be drilled will be by means of existing tracks on Mulgathing Pastoral Station.

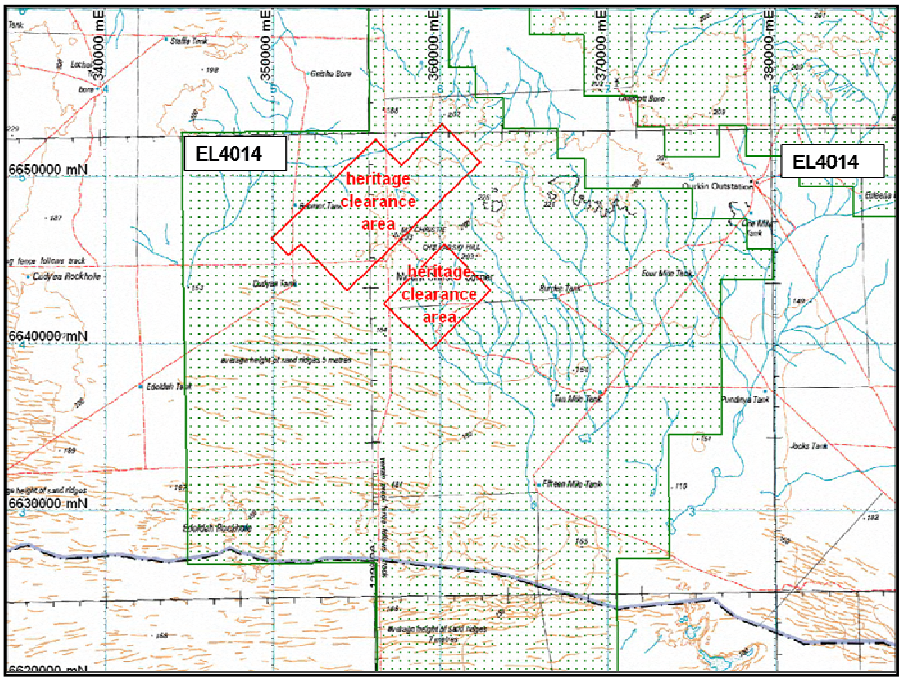

Figure 1 – Clearance areas at Mulgathing

Appointment of Project Manager

Iron Road Limited is pleased to announce the appointment of Dr Fop Vanderhor as Project Manager for the Gawler Iron Project. Dr Vanderhor will also be involved in other company projects as required. Dr Vanderhor is a geologist with over 25 years of exploration and consulting experience. After completion of a postgraduate degree at James Cook University of North Queensland, he worked at the University of Western Australia before joining Rio Tinto Exploration as a structural specialist. Dr Vanderhor started his own Perth based geological consultancy (Davis & Vanderhor Geological Consultants Pty Ltd) in 1998, working throughout Australia and overseas on a variety of commodities including gold, diamonds, uranium, bauxite and iron ore.

Dr Vanderhor led the geological team that discovered the United Minerals Corporation (UMC) Railway Iron Ore Deposit in the Pilbara Region of Western Australia. He joined UMC as Exploration Manager in 2007 and supervised the drill-out and pre-feasibility study of the Railway Deposit until the friendly take-over of UMC by BHP Billiton in 2010. Under the scheme, BHP Billiton offered UMC shareholders $1.30 cash for each UMC share that valued UMC at approximately $204 million.

Generation of Multiple Hematite DSO Targets

Hawke Geophysics has identified several high priority hematite DSO targets from a detailed aeromagnetic and gravity survey completed by Iron Road during the latter part of 2009. The airborne programme involved a fixed-wing aircraft flying 50m spaced traverses at 35m nominal height for a total of 5,320 line kilometres. Gravity data, totalling 6,368 new stations, were collected on a semi-regional 400x50m grid, closing down to 200x25m over the interpreted extent of iron formations. The high-resolution geophysical data delineates several iron ore targets recommended for drill testing (Figure 2).

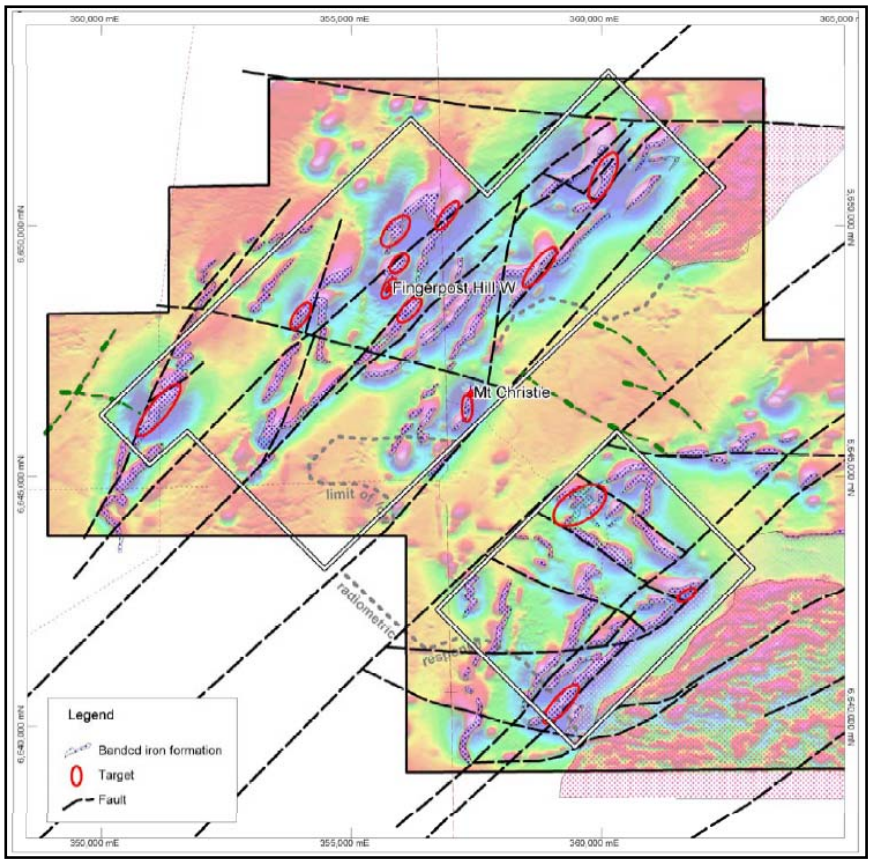

Figure 2 – Geological interpretation of high-resolution geophysical data superimposed on magnetic data.

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Proposed Exploration Model

The Exploration Model for the Gawler project demonstrates excellent potential for BIF hosted DSO hematite mineralisation, of a similar style to the Koolyanobbing deposit in the Yilgarn Craton of Western Australia. Exploration work will focus on testing this model and the potential for DSO material.

The Mount Christie deposits have historically been described as BIF-hosted magnetite deposits with average grade of about 35% iron. The magnetite is variably altered to martite and shows a grainsize in the range 100-500µm that forms 30-60% by volume of the rock. Dry magnetic separation test work on core samples by the South Australian Department of Mines and Energy in the 1960's produced high-grade concentrates at 56-65% iron with recoveries of 70-90%.

A field sampling programme undertaken by Iron Road during 2009 from ten localities returned an average grade of 53.4% iron (55.7% CaFe) from all samples collected, with several individual samples recording >60% iron, indicating potential suitability for direct shipping ore.

Close inspection of BIF outcrops within the exploration area has revealed that occasionally enclosed in the magnetite-gneiss are lenses of massive, coarse grained hematite or specularite (Figure 3). Where observed in-situ the specularite appears to broadly follow the fold axes of northeast trending folds interpreted as D2 structures, which are parallel to a distinct set of northeast trending faults apparent in the high-resolution magnetic data.

Iron Road considers it unlikely that the specularite is the product of alteration of magnetite. Instead, it is interpreted to be the product of a structurally controlled hypogene process, either metamorphic or hydrothermal. Although volumetrically insignificant in outcrop, the presence of specularite lenses is considered evidence for a process that may produce economic concentrations of high-grade direct-shipping hematite ore (DSO) in the right structural setting.

Figure 3 – Specular hematite float sample collected near North Fingerpost Hill.

An example of this style of mineralisation may be found in the K-Deposit at Koolyanobbing in the Archaean Yilgarn Block of Western Australia. The BIF-hosted K-Deposit has been the main ore producer for Cliffs Natural Resources Koolyanobbing operations for many years and is unique among the Yilgarn iron ore deposits for the common occurrence of specularite.

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Planning of Drilling Programme

A drilling programme to test the targets identified during the analysis of high resolution magnetic and gravity data by Hawke Geophysics is currently being planned. An Exploration Work Application (EWA) will be submitted to PIRSA for approval shortly. This programme will entail both reverse circulation (RC) and diamond drilling (Figures 4 and 5).

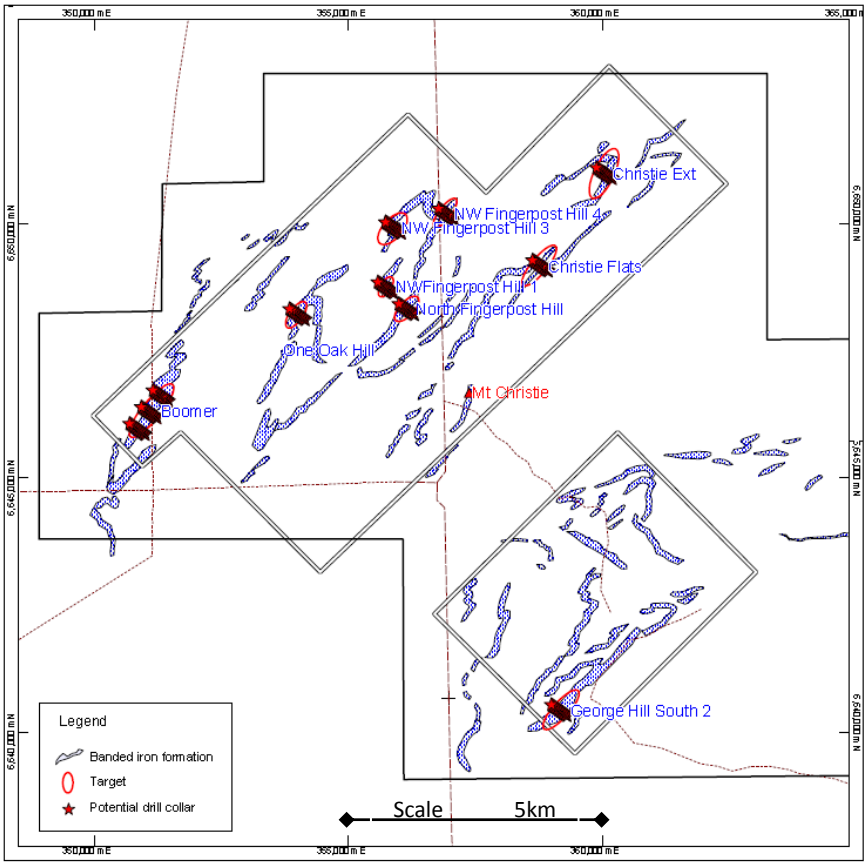

Figure 4 – Geophysical targets with conceptual drill sections.

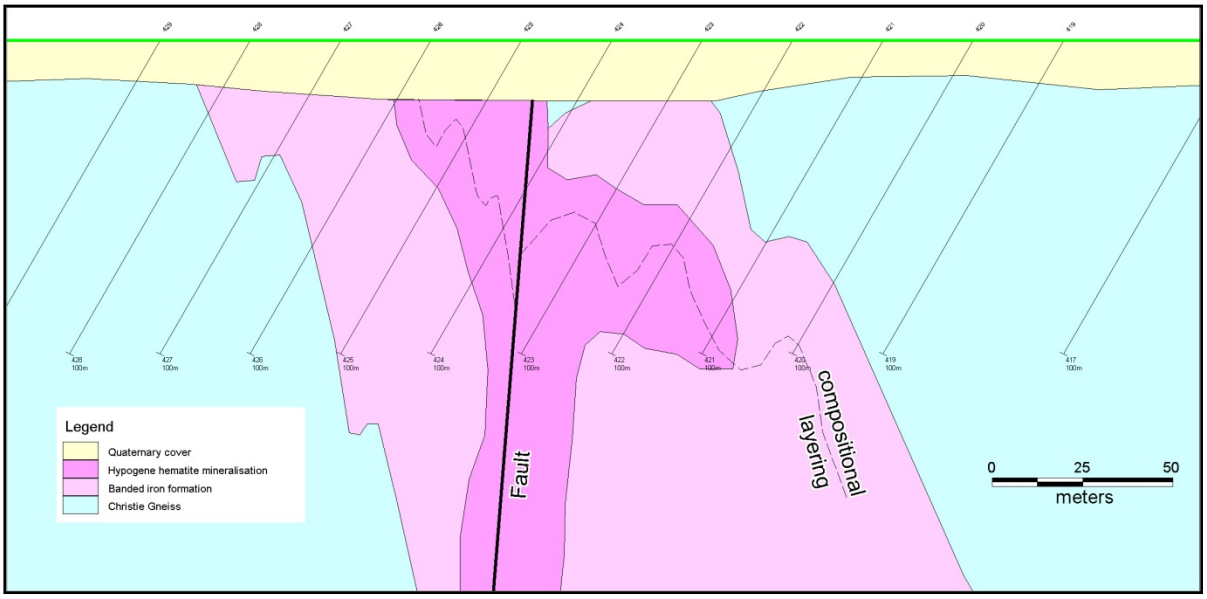

Figure 5 – Conceptual drill section across typical anomaly.

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Iron Road has an existing farm-in agreement with tenement holder Dominion Mining to earn up to 90% interest in the iron ore rights at West Gawler, with the objective of expanding its footprint in the potential iron ore province. The project area is located approximately 25km north of the standard gauge Trans Australian Railway that connects to the Central Australia Railway at Tarcoola and ultimately a number of ports.

Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 6). This project is complemented by early stage projects prospective for iron ore mineralisation in Western Australia (Windarling, Murchison) and South Australia (West Gawler).

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 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.

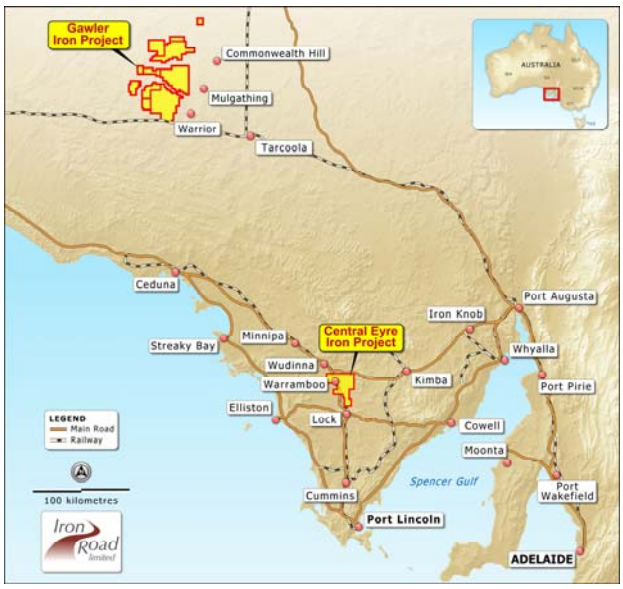

Figure 6 – South Australia project location map