

## 328Mt Iron Ore Mineral Resource at Central Eyre Iron Project

### Iron Road triples Resource base, further expansion programmes on track

#### Highlights

- 328Mt JORC compliant Inferred Resource estimate report at the Central Eyre Iron Project in South Australia.
- Mineral Resource calculated from drilling conducted on a 4.2km portion of the project's total strike length of more than 95km, less than 5% of total strike.
- Test work results continue to return a high quality concentrate averaging 70% iron with low levels of impurities.
- Resource upgrade and drilling programme supports current Pre Feasibility Study investigating a 10Mtpa concentrate export operation, scheduled for completion in early 2011.
- Central Eyre Iron Project status confirmed as a large-scale iron ore project on the Eyre Peninsula.

**Iron Road Limited** (Iron Road, ASX:IRD, IRDO) is pleased to announce a tripling of reported iron ore resources at its Central Eyre Iron Project (CEIP) in South Australia.

Resources at the project now stand at 328Mt, a tripling of the previous resource. The resource increase flows from a significant programme of drilling, structural, geotechnical, geophysical and metallurgical investigations designed to support the ongoing Pre-Feasibility Study (PFS) at the project. The PFS is scheduled for completion in early 2011.

Iron Road has set a corporate goal of further increasing the mineral resource to 500Mt of iron ore at the CEIP by year-end. As a result of the current resource increase, Iron Road remains confident of achieving this objective. Coffey Mining has previously established an exploration target of 2.8 to 5.7 billion tonnes of magnetite gneiss at the project<sup>1</sup>.

A summary of the key data is included in the table below.

Boo-Loo Resource Estimate							
Resource Classification	Material Type	Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Inferred	Fresh	277	17.3	52.5	11.5	0.095	0.5
	Transitional	13	17.0	52.4	11.6	0.094	10.7
	Oxide	38	17.2	52.1	11.6	0.094	10.8
<b>Total</b>		<b>328</b>	<b>17.3</b>	<b>52.4</b>	<b>11.5</b>	<b>0.095</b>	<b>2.1</b>

*The Boo-Loo resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (refer attachment 1).*

<sup>1</sup> Refer ASX Announcement dated 01 September 2009 and notices at the back of this release.

The resource estimation was compiled by independent resource consultants, Coffey Mining. Details of the resource estimation study are provided in the attachment and supersede the last ASX statement dated 07 August 2009.

<b>Indicative Concentrate Specifications</b>						
<b>Project</b>	<b>Fe %</b>	<b>Mass Rec %</b>	<b>SiO<sub>2</sub> %</b>	<b>Al<sub>2</sub>O<sub>3</sub> %</b>	<b>P %</b>	<b>LOI %</b>
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
Boo-Loo update ***	70.0	21.0	1.3	1.0	0.00	-3.3
P80 passing 40µm						
* based on 72 DTR composites across the upper portion of the CEIP deposit from Stage 1 drilling						
** based on 396 DTR composites across the Boo-Loo project only						
*** based on an additional 1018 DTR composites outside the original Boo-Loo resource						

Iron Road Managing Director, Mr Andrew Stocks, said that the resource upgrade was a significant event for the Central Eyre Iron Project and the ongoing pre-feasibility study.

“The resource increase reported today amply demonstrates the significant potential resource at the Central Eyre Iron Project. With only a small portion of the entire project adequately drilled we have delivered what is already a very substantial resource position,” said Mr Stocks.

“This result is important to Iron Road, as it more than underpins the resource base needed for the current Pre Feasibility Study underway at the CEIP. We are determined to ensure that we have the resources to underwrite at least a 20 year project at the CEIP and the result today shows us that this is more than achievable.”

“We have set a corporate objective of achieving 500Mt in iron resource for 2010 and with the resource increase announced today and our ongoing exploration programmes I am confident we can achieve this objective.”

“We have moved to significantly increase the pace of our drilling and pre-feasibility activities thanks to our confidence on the project and I look forward to reporting the results of the PFS,” said Mr Stocks.

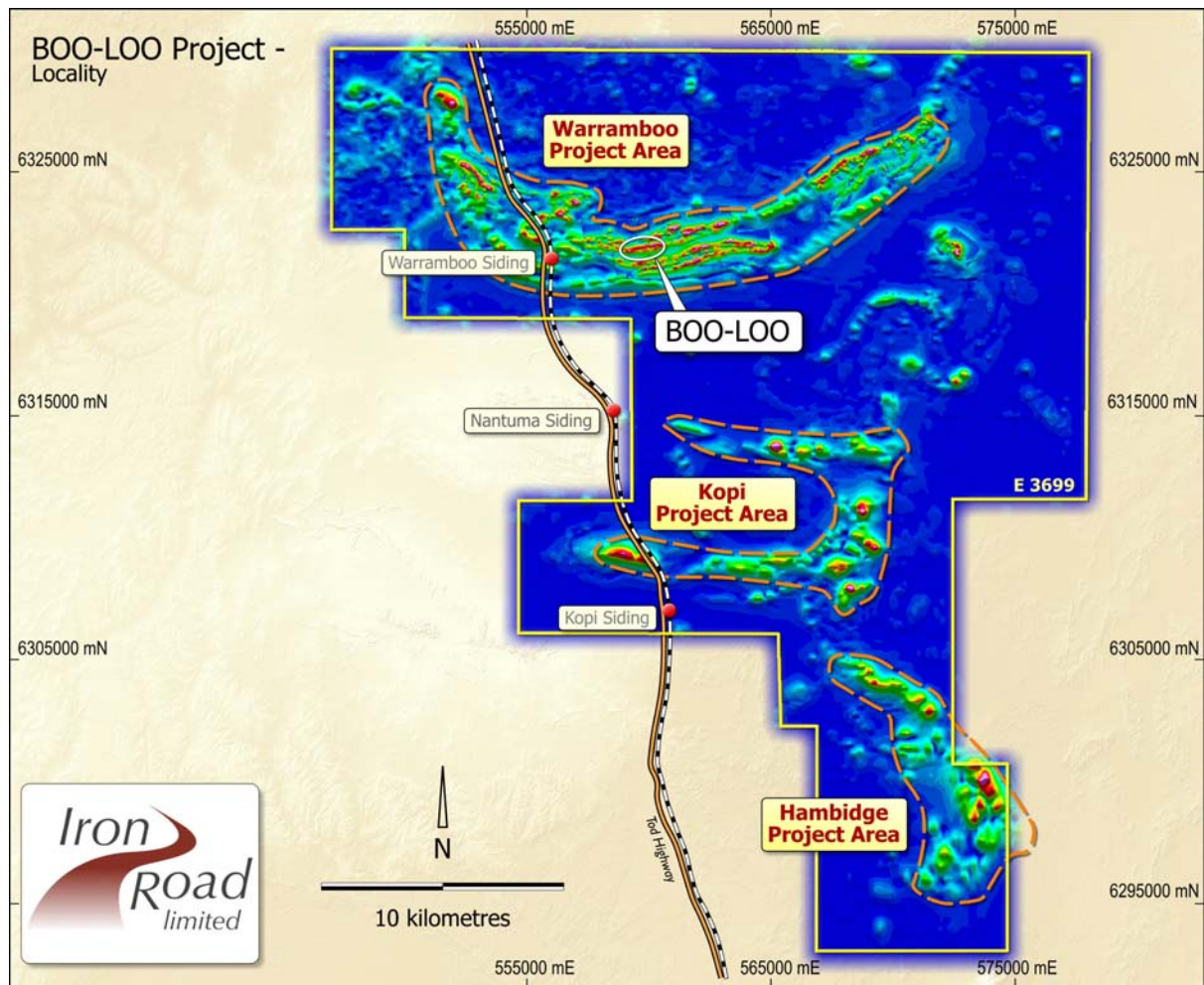
“Metallurgical test work associated with the resource increase also continues to deliver consistent, reliable results with a very high grade concentrate produced, giving us great confidence in the quality of the product than can be produced,” said Mr Stocks.

Test work demonstrates that the iron grade will more than double at the first stage magnetic separation, early in the beneficiation process and prior to power intensive fine grinding. The iron ore is very coarse grained, with over 60% of the waste material being rejected at sizes over 3mm. The current test work programme is further exploring this characteristic relating to dry and wet magnetic separation processes.

A key finding of the drilling and latest report is the consistency of mineralisation. The results of the resource expansion programme support the Company’s ambitions to develop a long life iron ore mining and beneficiation operation and its rationale to accelerate drilling and pre-feasibility activities.

Approximately 1000 additional Davis Test-tube Recovery (DTR) analyses were conducted for this resource expansion study.

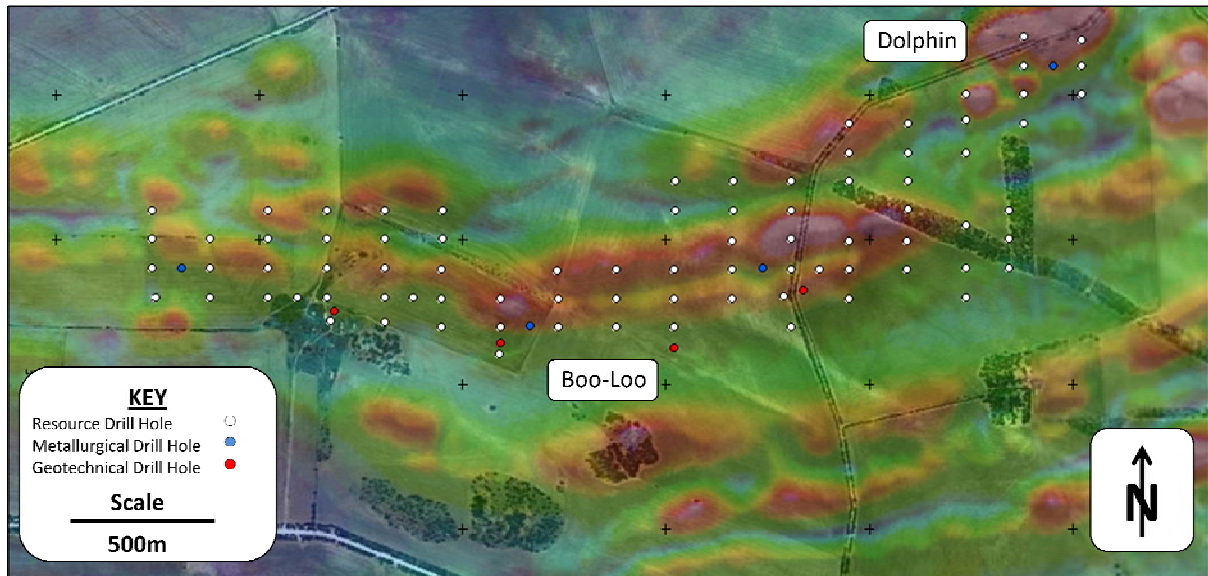
The current Mineral Resource focuses on a 4.2km portion of the project's total strike length of more than 95km. The remainder is currently being selectively drilled and whilst still to be fully tested, is considered by the Company to be similar in scale and quality and is likely to host several substantial deposits.



**Figure 1** CEIP project area – area of Resource (Boo-Loo) indicated

Iron Road is continuing on its development roadmap with a view to establishing a long-life export operation, initially producing 10Mtpa of high quality magnetite concentrates. Commencement of the PFS was announced in March 2010 with the appointment of Mineral Engineering Technical Services (METS).





**Figure 2** Drill hole locations covering the Boo-Loo mineral resource

The following companies have been engaged to complete various components of the study.

- **Evans & Peck** – study oversight, project implementation plan, scheduling, personnel, risk & opportunity management;
- **Coffey Mining** – geology, geotechnical, structural and mining;
- **Mineral Engineering Technical Services (METS)** – metallurgical test work (including dry magnetic separation), beneficiation plant design, mine site infrastructure, mine to port concentrate transport and power supply;
- **Sinclair, Knight, Mertz (SKM)** – Port options and ground water;
- **Community Engagement Group Australia (CEGA)** - Community engagement and access;
- **Aldam Geoscience** – approvals pathway; and
- Various consultants are contributing to the marketing, environment, financial analysis portions.

-ENDS-

**For further information, please contact:**

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## Competent Person's Statement

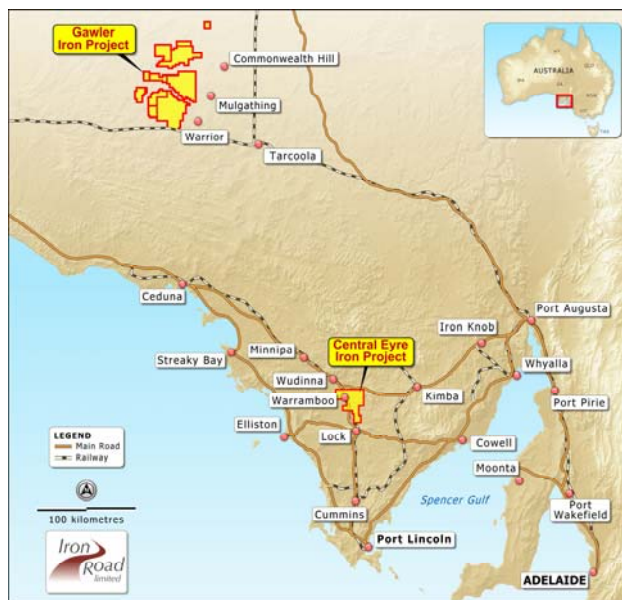
Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 3). The wholly owned Central Eyre Iron Project is a collection of three iron occurrences (Warrambo, Kopi & Hambidge) with an exploration target of 2.8-5.7 billion tonnes magnetite gneiss<sup>1</sup>. The current programme encompasses exploratory drilling to identify additional areas suitable for resource drilling and expansion. The existing Inferred Mineral Resource estimate compliant with JORC Code guidelines is 328Mt at the project area with the corporate target for 2010 to increase this to 500Mt.

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.

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, both of Coffey Mining Ltd, who are consultants and advisors to Iron Road Limited and Members of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane and Mr Virisheff have sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Macfarlane and Mr Virisheff consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to exploration targets 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. The potential quantity and grade of an exploration target 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.

<sup>1</sup> Coffey Mining (Iron Road Limited ASX announcement 01 September 2009).



**Figure 3 - South Australia project location map**

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**Memorandum**

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**Date:** 29 June 2010  
**Company:** Iron Road Ltd  
**Attention:** Larry Ingle  
**Copy:** Alex Virisheff  
**From:** Iain Macfarlane  
**Subject:** **Resource Estimation at Boo-Loo and Dolphin Magnetite Prospects**

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Dear Larry

The Mineral Resource estimate for magnetite and goethite maghemite mineralisation at the Boo-Loo and Dolphin Magnetite Prospects is complete. The Mineral Resource Statement as at 28 June 2010 is tabulated overleaf.

The information in the report which relates to the Mineral Resource is based on information compiled by Iain Macfarlane and Alex Virisheff, who are Members of The Australasian Institute of Mining and Metallurgy. Iain Macfarlane and Alex Virisheff are employed by Coffey Mining Ltd.

Iain Macfarlane and Alex Virisheff have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

For and on behalf of Coffey Mining Pty Ltd



Iain Macfarlane  
Senior Resource Geologist



Alex Virisheff  
Principal Resource Geologist

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<b>Table 1</b> <b>Iron Road Limited</b> <b>Warrambo Iron Ore Project</b> <b>Boo-Loo and Dolphin Magnetite Prospects</b> <b>Mineral Resources</b> <b>Grade Tonnage – 28<sup>th</sup> June 2010</b> <b>Reported within Material Type Horizons</b> <b>Fresh (Magnetite) and Transitional (Mixed - Magnetite and Hematite) and</b> <b>Oxidised (Mixed - Goethite / Maghemite, Hematite and Magnetite)</b> <b>Lower Grade Cutoff of 12% Fe Applied</b> <b>Whole Rock Grades Reported</b>													
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Resource Classification	Material Type	(Mt)	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%	CaO%	K <sub>2</sub> O%	MgO%	MnO%	S%	TiO <sub>2</sub> %
<b>Inferred</b>	Fresh	277	17.3	52.5	11.5	0.095	0.5	2.1	2.5	2.8	0.7	0.07	0.6
	Transition	13	17.0	52.4	11.6	0.094	10.7	0.4	1.2	0.9	0.2	0.14	0.5
	Oxidised	38	17.2	52.1	11.6	0.094	10.8	0.4	1.2	1.0	0.3	0.17	0.6
<b>Total</b>		<b>328</b>	<b>17.3</b>	<b>52.4</b>	<b>11.5</b>	<b>0.095</b>	<b>2.1</b>	<b>1.8</b>	<b>2.3</b>	<b>2.5</b>	<b>0.6</b>	<b>0.08</b>	<b>0.6</b>

**Notes:**

- There is drilling coverage for the whole rock grades (in total 11 grade items) on a 100m by 200m grid over the target areas, drilling being aligned along sections orientated north south. Indications are that the strongly metamorphosed host rocks were originally part of a clastic sedimentary sequence. It is not yet understood whether the iron mineralisation is remnant (deposited at the same time as the clastic sequence) or was subsequently introduced. These host rocks, were intersected by 92 drillholes. Of these 13 were reverse circulation (RC) drillholes, the rest being collared by RC drilling with diamond tails.
- Statistical analyses on samples and 4m composites were completed. Variography was also conducted as input into the grade estimation.
- Grade estimates were calculated for 100m (east-west) by 50m (north-south) by 10m (vertical) blocks. The method used to obtain grade estimates was Ordinary Kriging.
- Average in situ dry bulk densities were applied. For the various fresh host rocks, the bulk density value 3.1t/m<sup>3</sup> as used in the 2009 resource estimate has been employed. Density measurements obtained from downhole geophysical methods were assessed. These are believed to understate actual densities. Data is also clustered and so is not representative of the prospect area as a whole. Further work is required in this aspect. Determinations have been carried out to ascertain in situ dry bulk density for the transition and oxidised materials. Estimated values of 2.8t/m<sup>3</sup> and 2.5t/m<sup>3</sup> respectively have been assigned to these materials.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality. The requirements for infill drilling, together with uncertainties in geological interpretation and mineralisation envelopes in the more structurally complex zones have resulted in the resource being classified as an Inferred Mineral Resource.
- Davis Tube testwork (DTT) has been undertaken to determine the percent weight recovery (DTR) of magnetic material (concentrate). The concentrate has then been assayed to establish its grade characteristics.
- Samples obtained from the existing drilling were composited to a nominal 4m interval and were submitted for Davis Tube testwork. Samples were predominantly taken from the unoxidised (fresh) portion of the selected drillholes.
- As the concentrate grades are representative of the recovered portion only, the estimation requires the use of service variables to ensure the blocks are appropriately weighted. Service variables are calculated as DTR multiplied Fe grade, DTR multiplied SiO<sub>2</sub>, DTR multiplied Al<sub>2</sub>O<sub>3</sub> and so on for the remaining grade items (11 in all).
- Statistical analyses were also completed on DTT samples, subsequent 4m composites and service variables. Variography was undertaken on DTR, concentrate grades and service variables.
- Ordinary Kriging was used to obtain estimates of DTR and service variables. However, the reduced density of DTT data resulted in a large proportion of blocks being unestimated. As a consequence, the confidence level in the DTR and concentrate grade estimates is considered to be low.
- Hence, mean values were derived from composite DTT data values to indicate the possible recovery and concentrate characteristics. (Note: samples selected for DTT composites were on the basis of geological logging of magnetite-rich horizons or whole rock Fe grades > 8%). They indicate that the DTR is likely to be in the order of 21% and the concentrate grade approximately 70% Fe, 1.3% SiO<sub>2</sub>, 1.0% Al<sub>2</sub>O<sub>3</sub>, 0.003% P, -3.3% LOI, 0.04% CaO, 0.05% K<sub>2</sub>O, 0.18% MgO, 0.6% MnO, 0.01% S and 0.18% TiO<sub>2</sub>. These recoveries apply only to the fresh material. Testwork has yet to be carried out on transition and oxide materials.