

Approval and Commencement of Stage V Drilling Central Eyre Iron Project, South Australia

Iron Road Limited (Iron Road, ASX:IRD, IRDO) is pleased to announce the imminent commencement of a major exploratory drilling programme at the Company's wholly owned Central Eyre Iron Project (CEIP).

An exploration target for this programme at Murphy South of 400-800Mt at 17-20% Fe has been estimated.* The commencement of works follows approval of the programme by the Primary Industries and Resources South Australia (PIRSA).

Highlights

- Approval by PIRSA of Stage V drilling comprising 64 holes for 19,025m within the Warramboos project area on EL3699.
- Programme to commence immediately with the aim of defining a JORC inferred mineral resource estimate report at Murphy South by December 2010.
- Drilling programme will employ one RC and three diamond drill rigs.
- Murphy South Exploration Target of 400-800Mt at 17-20% Fe*.
- Programme part of on-going progress towards PFS scheduled for completion in early 2011.

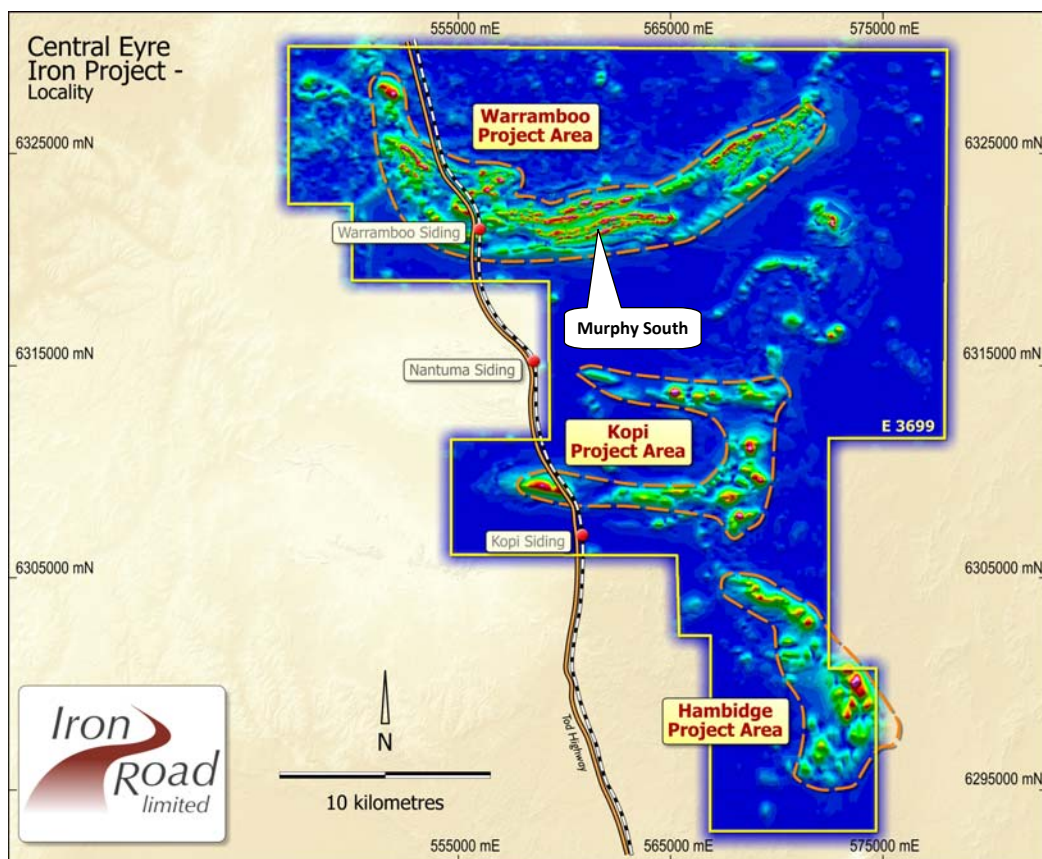


Figure 1 Location of Stage V drilling programme at Murphy South

* Refer to Competent Person's Statements on page 6

Iron Road Managing Director, Mr Andrew Stocks, said that the programme continued the significant amount of project development work underway at Iron Road.

“This is our third substantial drilling programme for the year at the CEIP and with the pre-feasibility study well underway, supports the rapid development of the Central Eyre Iron Project,” he said.

“As part of this, we continue to make significant progress towards the completion of a pre-feasibility study in early 2011. I look forward to the results and shareholder value that will be delivered as we continue to drive this development forward.”

The drilling programme planned at Murphy South is a direct consequence of the current Stage IV drilling programme, which was specifically designed to test numerous high potential targets across EL3699.

A single traverse of eight drill holes at Murphy South, combined with Stage I drilling and geophysical inversion modelling, suggests that a large body of magnetite gneiss occurs in this area (Figure 2) as a large overturned isoclinal fold, with a south southeast dipping axial plane. This has the effect of thickening the magnetite gneiss through duplication; which is highly desirable from a mining perspective.

It also appears that the geometry of geological structure (synform) has led to destructive interference (a cancelling) of the magnetic signal in the centre of the structure, resulting in an apparently weak or absent response despite drilling confirming that the magnetite gneiss occurs relatively close to the surface in this area.

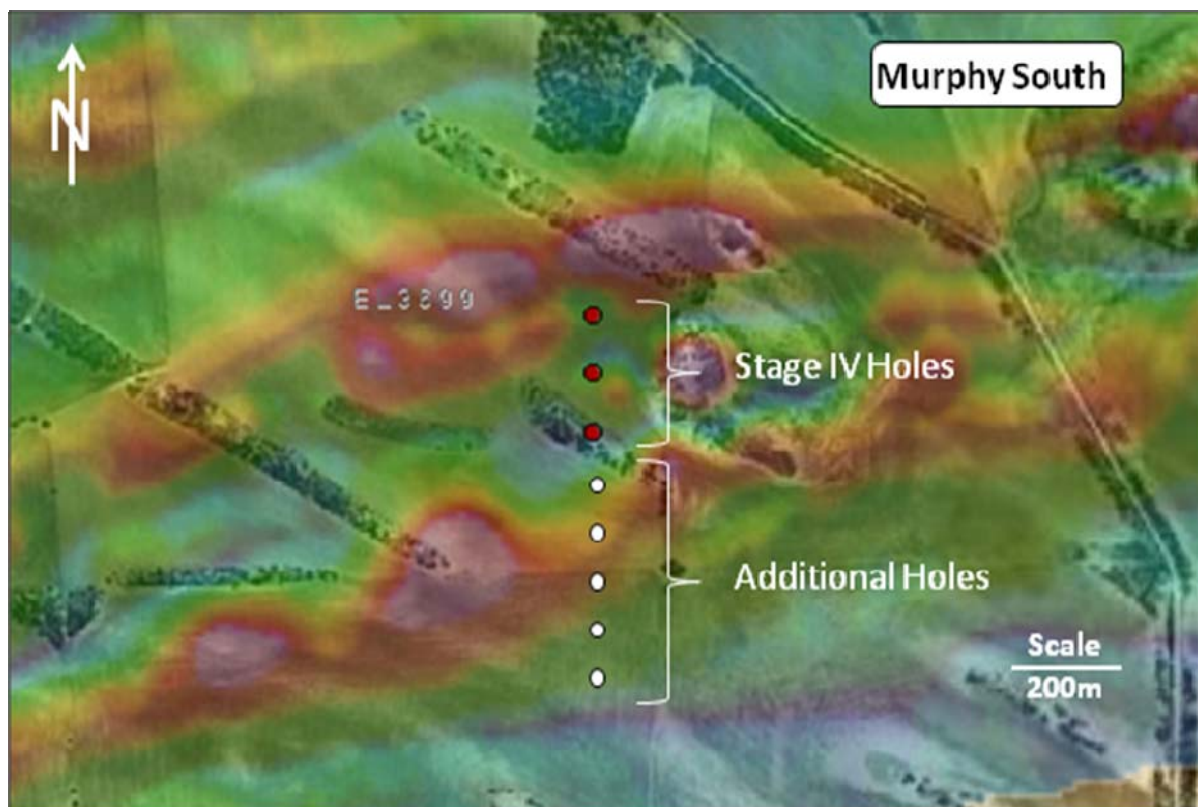


Figure 2 – An initial traverse of three drill holes at Murphy South (Stage IV) was expanded by an additional five drill holes and confirmed the hypothesis that the geological structure is causing destructive interference of the magnetic analytic signal in this area.

Inversion modelling of the magnetic data has proven to be a reliable tool at the CEIP and a good correlation between the geology with the model results is evident along the recently completed drill traverse (Figure 3). Inversion modelling has been successfully used to aid in the planning of Stages II, III and IV drilling programmes and similarly applied in the design of all drilling traverses for the Stage V drilling programme.

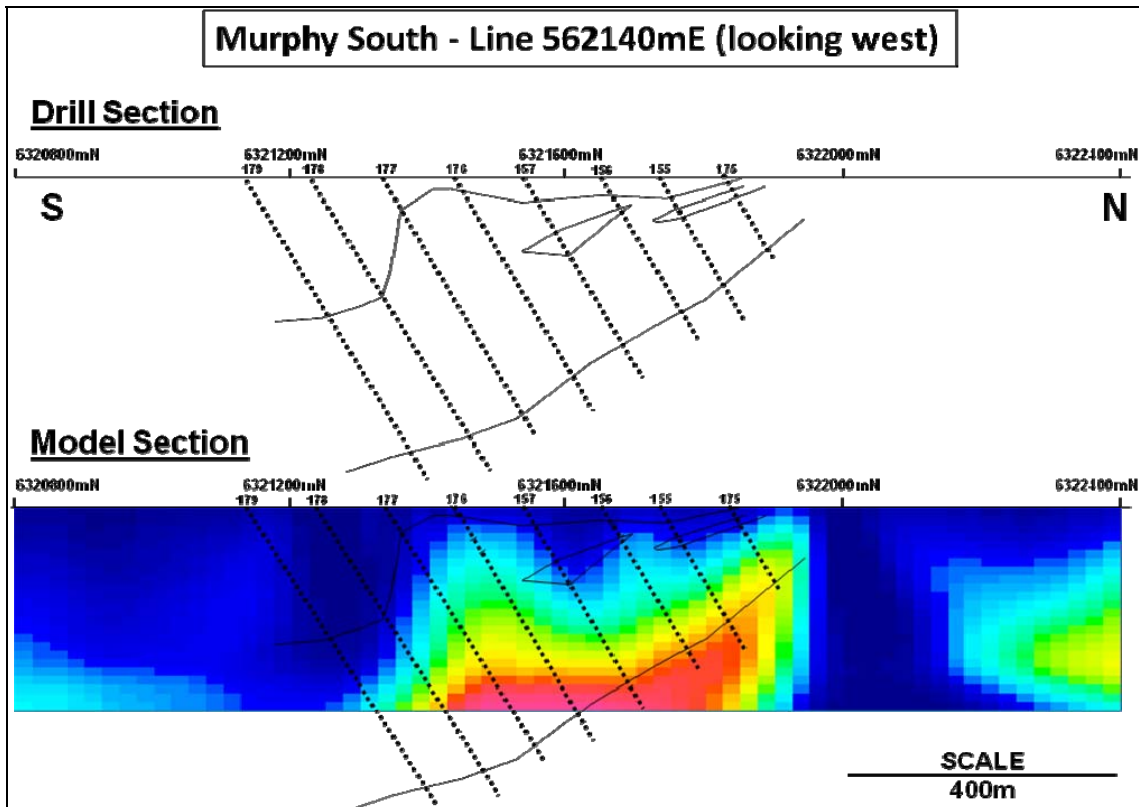


Figure 3 – Actual magnetite gneiss cross-sectional outline from drilling superimposed on inversion modelling

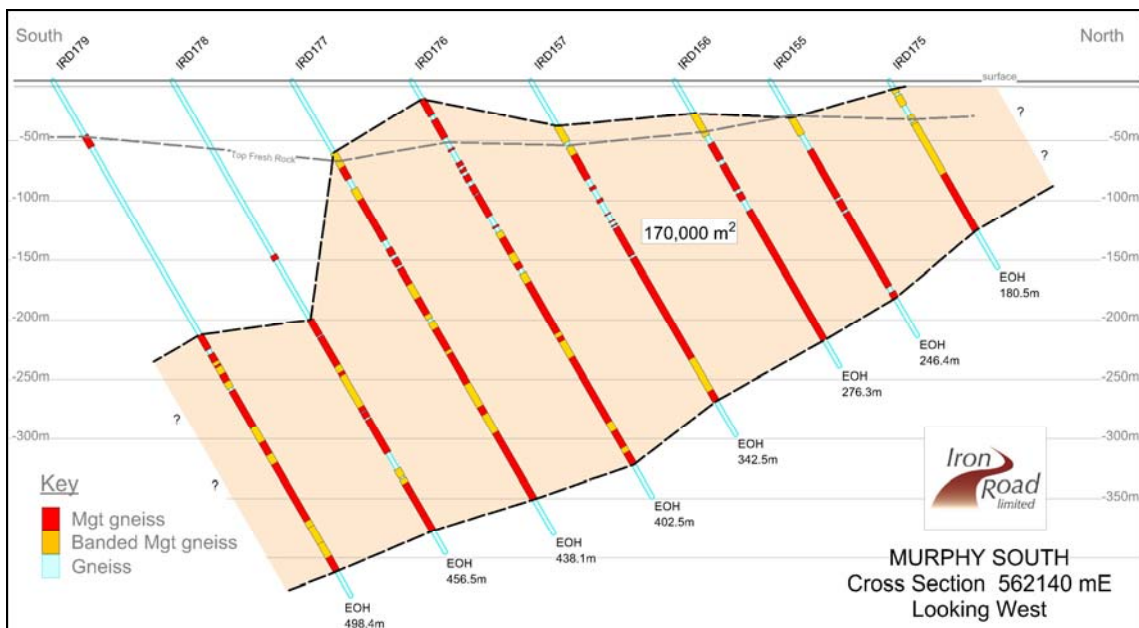


Figure 4 – Summary logging of magnetite gneiss on Line 56140mE Murphy South. The total area of magnetite gneiss on this section is 170,000m².

From the inversion modelling and existing drill data at the Murphy South prospect (Stage I and IV), an exploration target of 400-800Mt at a grade of 17-20% Fe* is estimated for the area defined by the current proposed drilling programme. In addition it is likely that magnetite gneiss extends outside of this area, both east and west along strike.

The Stage V drilling programme comprises nine traverses with each traverse made up of seven to eight drill holes. Each hole is 100m apart and each traverse 200m apart. The total area to be covered is 700-800m wide (on apparent dip) and over 2000m long (on strike) (Figure 5). All holes will be drilled on azimuths oriented true north at -60 degrees and maximum drill hole depths are anticipated to be in the order of 400-450m.

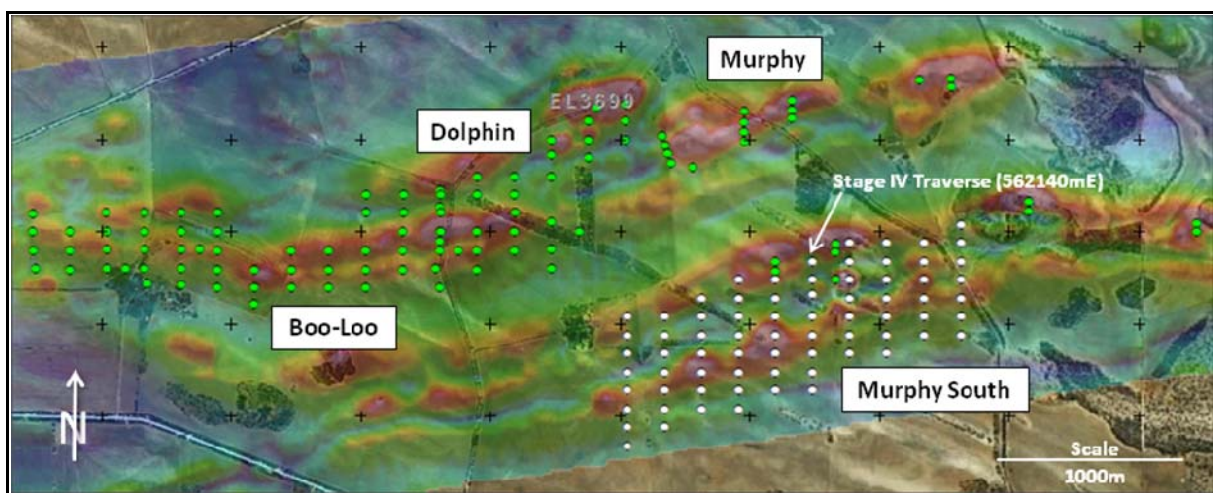


Figure 5 – Stage V drill hole collars in white at Murphy South superimposed on magnetic analytic signal. Existing collars from previous drilling programmes (Stages I, II and III) in green.

The drilling programme will be undertaken by Gomex Drilling for the RC component and Coughlan Drilling for the diamond drilling component. The programme will utilise one RC drill rig and three diamond drill rigs. When appropriate, all diamond drilling will move to a double shift basis to accelerate progress.

This drilling programme forms part of a planned strategy to establish a long-life +10Mtpa magnetite concentrate export operation. Test work from the Stage I, II and III drilling programmes indicates that a high quality concentrate may be produced from the Warrambo project area grading ~70% iron with low impurities. Metallurgical test work indicates excellent beneficiation characteristics with good potential for optimisation leading to a reduction in operating costs.

An existing JORC inferred mineral resource estimate report of 328Mt has been determined by Coffey Mining at the Boo-Loo and Dolphin prospects as well as an exploration target of between 2.8-5.7 billion tonnes magnetite gneiss for EL3699*.

* Refer to Competent Person's Statements on page 6

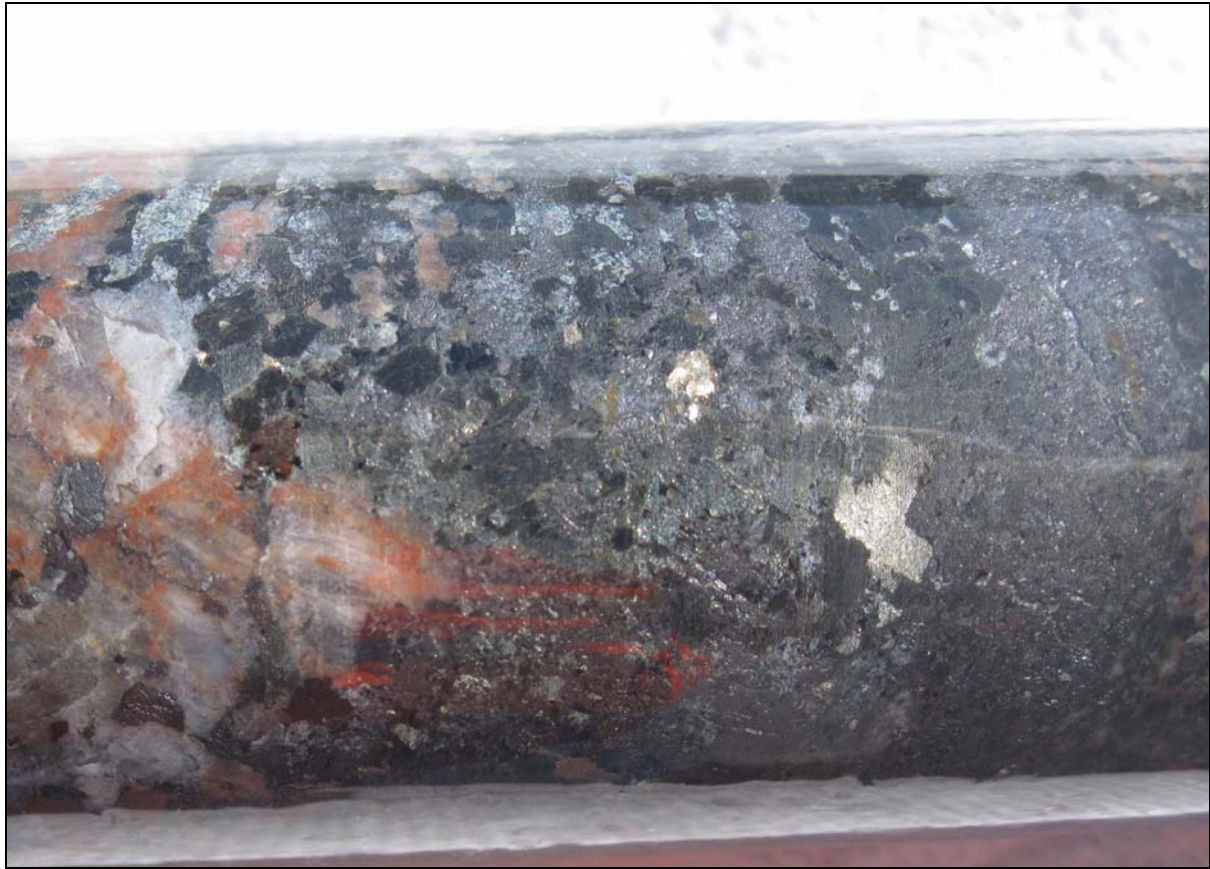


Figure 6 – Very coarse grained magnetite in diamond core from Stage IV drill programme (Murphy South IRD 178)

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Competent Person's Statements

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, 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 the global exploration target 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 information in this report that relates to the Murphy South exploration target 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 on 03 August, 2010 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.