

POSITIVE METALLURGICAL TEST WORK RESULTS AT CENTRAL EYRE IRON PROJECT

68.5% iron concentrate at coarse grind size of -125µm

Iron Road Limited (Iron Road, ASX:IRD, IRDO) is pleased to announce that initial results from its extensive PFS metallurgical test work program at the Central Eyre Iron Project (CEIP) indicate viability of coarser grind sizes, with significant implications for process design and potential reduction in power consumption.

The testing is part of the Company's pre-feasibility study for CEIP, which is scheduled to be completed in early 2011.

Highlights

- High grade blast furnace quality concentrate of 68.5% iron successfully produced at the coarse grind size of -125µm.
- At the coarse -125µm grind, average SiO₂ content is 2.4% with iron recovery of 79.8% and mass recovery of 24.9%.
- At a finer -75µm grind, most concentrates are within direct reduction (DR) specifications. It is anticipated that all concentrates will achieve DR grade at -50µm.
- Low variability apparent over the 3000 metre strike length of the Boo-Loo – Dolphin prospect.
- Significant implications for process design with potential reduction in power consumption and lower operating costs.
- Central Eyre Iron Project remains one of Australia's most significant emerging magnetite projects

Iron Road Managing Director, Andrew Stocks, said that the Company was delighted with the initial results.

"This study continues to confirm our belief that the Central Eyre hosts a very large and very coarse magnetite iron ore deposit that may be readily upgraded to produce a range of quality products," he said.

"The resultant potential reductions in power consumption and therefore operating costs supports our view that the Central Eyre Iron Project represents one of Australia's most significant and viable magnetite projects.

"We look forward to continuing to demonstrate this potential through the completion of the current pre-feasibility study."

Iron Road engaged Mineral Engineering Technical Services (METS) to comprehensively investigate the metallurgical characteristics of the Warramboe mineralisation as a major component of the pre-feasibility study (PFS) at the Central Eyre Iron Project in South Australia.

These studies include variability test work and upgradeability by magnetic separation test work whereby numerous magnetite ore samples from across the deposit are selected for analysis. In this instance, eight diamond core samples were selected from across the Boo-Loo – Dolphin prospect (Figure 1).

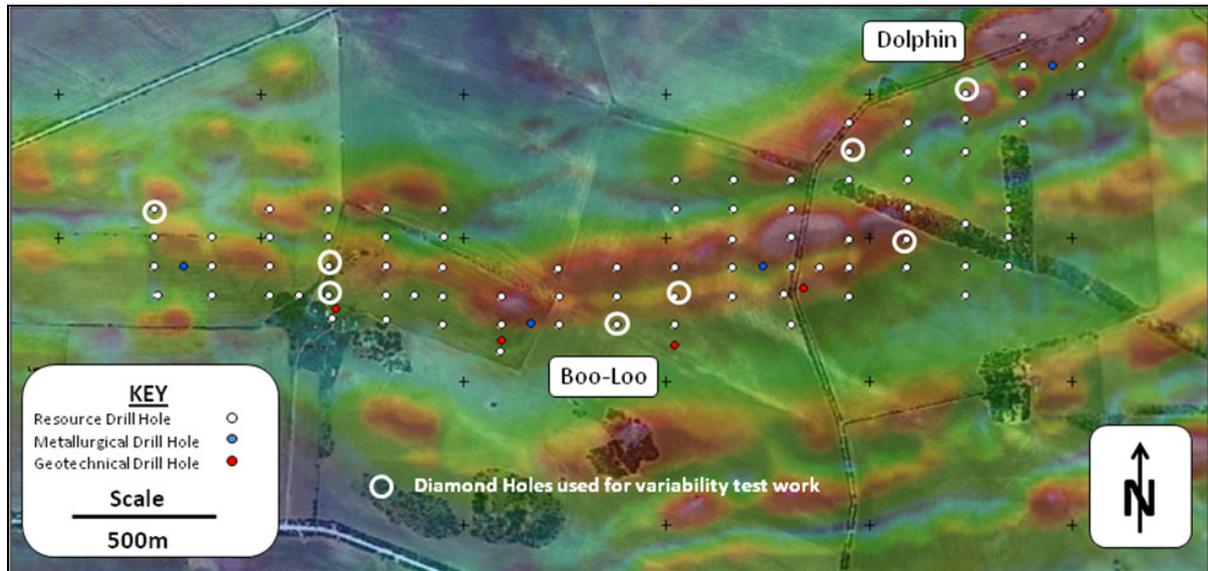


Figure 1 – Locality of variability test work samples (diamond core) from the Boo-Loo – Dolphin prospect.

Test work confirms that a high grade blast furnace quality concentrate (average 68.5% iron) may be produced at a coarse grind of $-125\mu\text{m}$. At this grind the silica content is low, averaging 2.4%. Average iron recovery is 79.8% and the mass recovery recorded is 24.9% (Figure 2).

At a finer grind size, in the order of $50\mu\text{m}$, direct reduction (DR) grade magnetite concentrate may be produced from all samples.

Mr Stocks said Iron Road would continue preliminary engagement with potential development partners, with a view to introducing a substantial partner to the project at the appropriate stage.

“With the interest received to date and the backing of cornerstone investor The Sentient Group, Iron Road is confident a range of partnership opportunities are available,” Mr Stocks said.

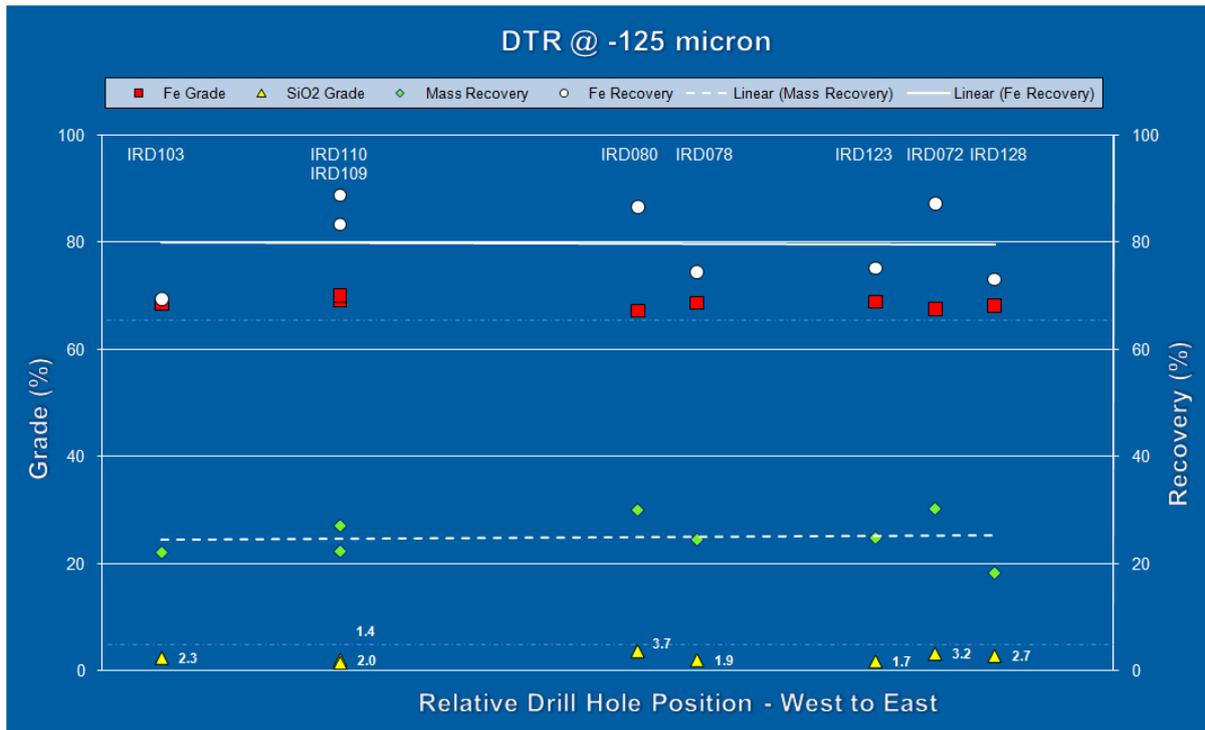


Figure 2 – Graph showing Fe grade, SiO2 grade, mass recovery and Fe recovery for samples arranged west to east across the Boo-Loo – Dolphin prospect (grind of -125µm).

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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.