Gawler Iron Project
Results from Stage 1 Exploration Drilling Programme

Iron Road Limited (Iron Road, ASX: IRD, IRDO) is pleased to announce the results from Stage I exploration activities at the Gawler Iron Project. The reconnaissance drilling programme comprised 71 reverse circulation (RC) drill holes for 6,101m.

Highlights

- Stage I RC drilling programme successfully completed with the identification of hematite and magnetite mineralisation at all nine geophysical target areas.
- At NW Fingerpost Hill 1 an oxidised hematite cap overlying magnetite has been identified with significant hematite rich intersections of 61m @ 43.5% Fe, 60m @ 43.4% Fe, 57m @ 39.6% Fe and 39m @ 42.5% Fe.
- The Boomer prospect is a newly discovered magnetite deposit situated below 25m of cover, with significant high-grade magnetite zones, including 17m @ 40.6% Fe, 20m @ 39.0% Fe, 42m @ 40.8% Fe and 31m @ 42.6% Fe.
- The results of a pilot metallurgical study of four drill holes using a coarse grind size of P100 @ 75µm indicates excellent beneficiation characteristics of the magnetite mineralisation.
- Average iron content of magnetite concentrates is in the range 69-70% iron with 1.1-2.0% SiO_2, 0.6-1.4% Al_2O_3 and 0.00% P.
- A test work programme has been prepared by the Company's metallurgical consultants, METS, to investigate cost effective options of upgrading oxidised hematite rich cap material and fresh material with the view to producing sinter feed.
- Detailed geological and metallurgical information will be collected during Stage II diamond drilling programme.

Overview

The Gawler Iron Project is situated approximately 25 kilometres north of the Trans-Australian Railway and 200km southwest of Coober Pedy, along the western margin of the Gawler Craton in South Australia.

Iron Road Managing Director, Mr Andrew Stocks, said the results are very encouraging and warrant further exploration at Gawler.

"Our initial test work has shown that Gawler is host to a number of near surface magnetite deposits, capped with hematite rich zones. Most importantly, our first pass testing shows that this material can be readily processed to produce a concentrate that easily meets and exceeds expected iron ore market product specifications," said Mr Stocks.

"We are now continuing our evaluation of Gawler in Stage II. Further evaluation is needed, but our early concepts for Gawler envisage a possible series of mining pits, backed by a central processing hub to treat both the rich hematite cap and magnetite material."

The project area has not been systematically explored for iron ore despite reconnaissance drilling of surface outcrops in the area by the South Australian government in the 1960's, identifying several iron deposits. The gneiss-hosted deposits are attractive exploration targets due to the relatively coarse grain size of the magnetite (100-500 µm) when compared with more conventional BIF-hosted magnetite deposits. The magnetite mineralisation is overlain by a second style of hematite-rich mineralisation which is restricted to the near-surface weathering environment.

In 2009 Iron Road Limited conducted high-resolution aeromagnetic and ground gravity geophysical surveys that for the first time mapped the magnetite gneiss target rocks below the quaternary cover that blankets large parts of the project area. The new geophysical data was used by the Company's geophysical consultants, Hawke Geophysics, to identify ten priority targets for drill testing based on interpreted structural setting and intensity of coincident gravity and magnetic anomalies (Figure 1).

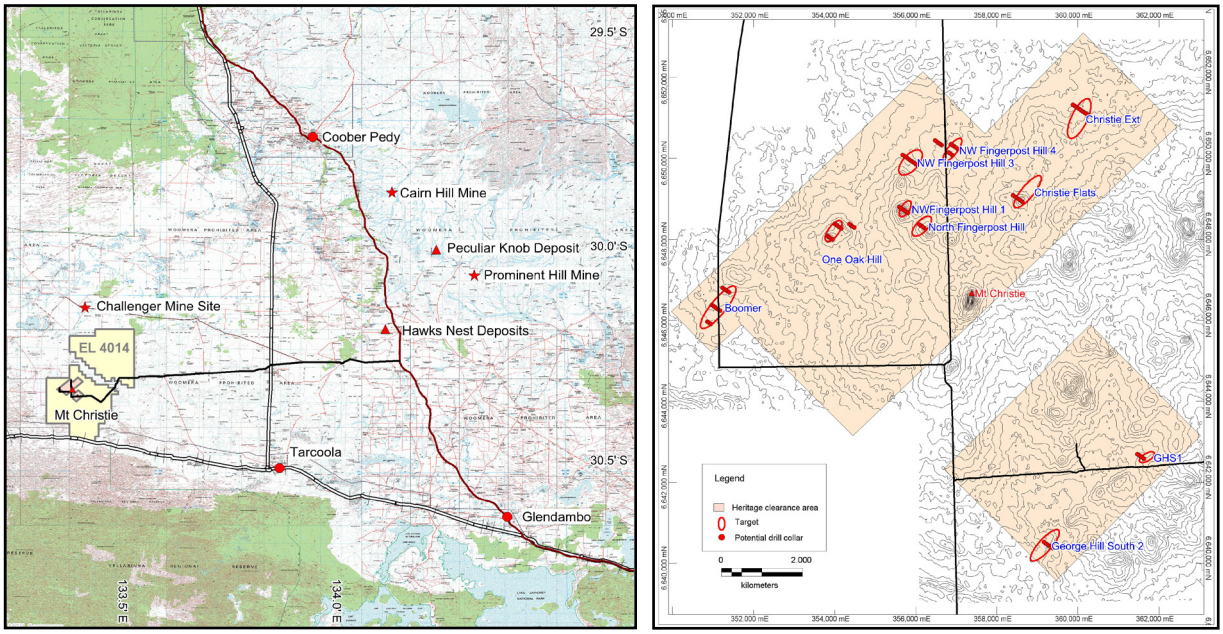

Figure 1 – Location of drilling near Mt Christie – ten priority targets were identified for testing.

Stage I Drilling

Stage I reconnaissance RC drilling investigated nine of ten high-priority geophysical targets, employing 16 drill traverses, for a total of 71 holes (6,101m). Drill samples were collected at one metre intervals using a conventional riffle splitter and were analysed (XRF) by ALS laboratories in Perth for the standard iron ore suite of elements.

Magnetite gneiss capped by a 10-55m thick zone of oxidized hematite-rich material was encountered at all target areas. A summary of iron grades in the 43 drill holes that intersected significant widths of magnetite gneiss are provided in Table 2.

The interpreted true thickness of individual magnetite gneiss units is typically in the range 10-50m though significantly wider zones are present in areas of structural thickening that is particularly evident at the Northwest Fingerpost Hill 1 Prospect and the newly discovered Boomer Prospect.

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Northwest Fingerpost Hill 1 is situated in a large-scale anti-form which forms a distinct hill with some of the best outcrops of small-scale second-order folding in the project area (Figure 2). It contains significant near-surface hematite-rich mineralisation which extends over a 250m wide zone to a depth of 55m and occurs as a cap on folded magnetite gneiss (Figure 3).

Notable intersections include:

- 61m @ 43.5% Fe
- 60m @ 43.4% Fe
- 57m @ 39.6% Fe
- 39m @ 42.5% Fe

Figure 2 – Open second-order antiform in hematite-magnetite gneiss exposed on top of NW Fingerpost Hill 1 next to the drill line.

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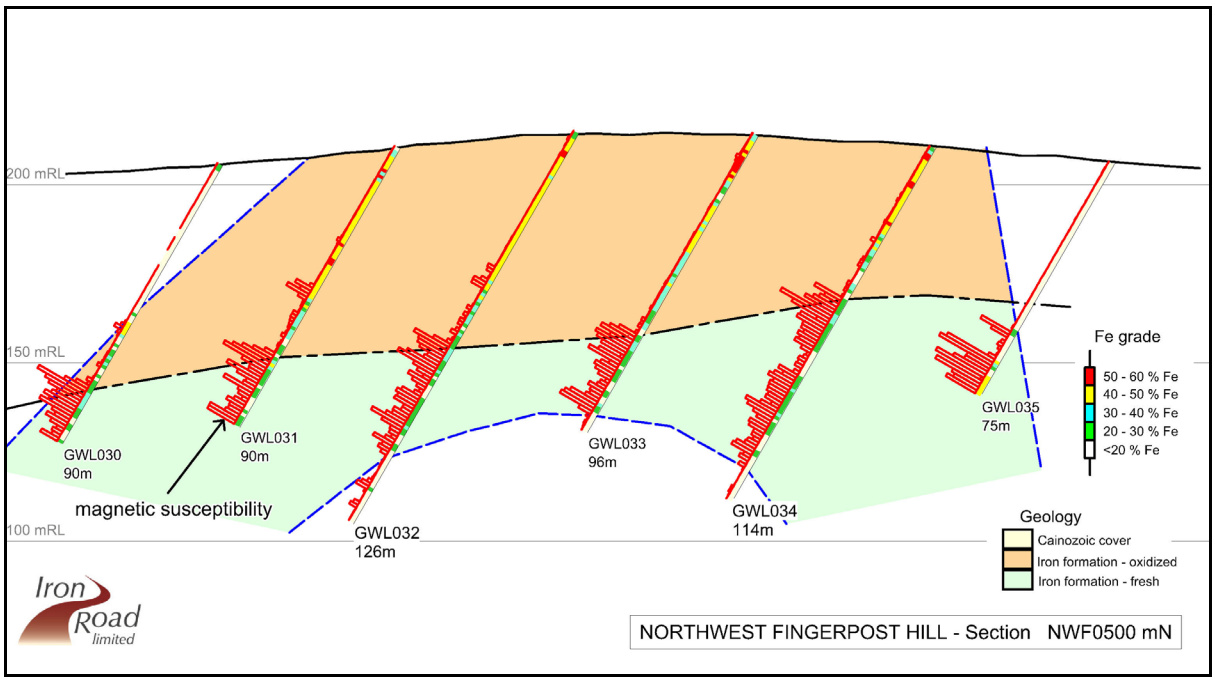

Figure 3- Cross section through NW Fingerpost Hill showing extensive hematite cap to a depth of approximately 55m.

Boomer is situated below 25 metres of Cainozoic cover. The magnetite mineralisation has a thin cap of hematite-rich mineralization and occurs within a 110 metre wide zone of steeply dipping and folded/faulted magnetite gneiss (Figure 4). The magnetite gneiss has been traced along strike for at least 500 metres and is open at depth.

Notable intersections include:

- 17m @ 40.6 % Fe
- 20m @ 39.0 % Fe
- 42m @ 40.8 % Fe
- 31m @ 42.6 % Fe

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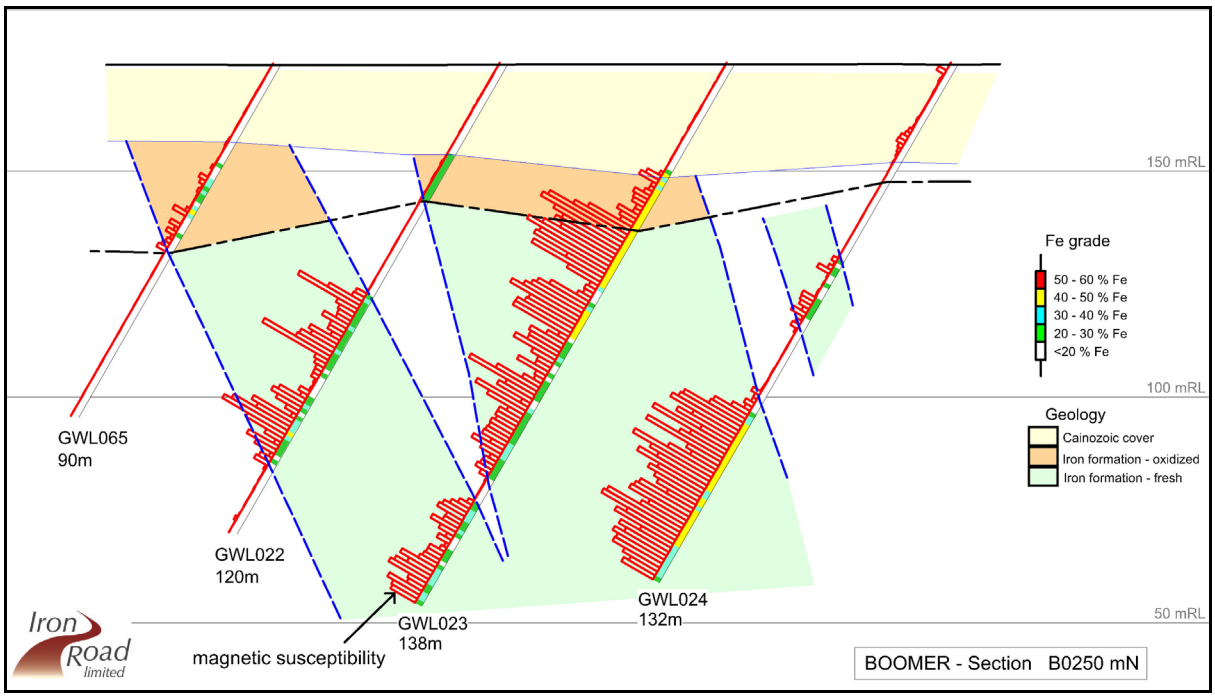

Figure 4- Cross section through Boomer showing thin hematite cap on coarse grained magnetite gneiss.

DTR Test Work

A total of eighty two samples of magnetite gneiss from four drill holes were selected for a pilot metallurgical study of the beneficiation characteristics of magnetite mineralisation. Metallurgical testing was conducted at ALS laboratories in Perth and comprised Davis Tube Recovery (DTR) test work of 4 metre composites at a coarse grind size of 75 microns.

The results of the initial study suggest excellent beneficiation characteristics of the magnetite. Average iron content of magnetite concentrates is in the range 69-70% Fe with 1.1-2.0% SiO_2, 0.6-1.4% Al_2O_3 and 0.00% P. Most concentrates meet DR grade specifications and all meet or exceed high grade blast furnace requirements.

Table 1 **Results of DTR composites.**

Target	Drill hole	Interval (m)	Mass Recovery	Fe Rec. %	Conc. % Fe	Conc. % SiO_2	Conc. % Al_2O_3
Boomer	GWL020	41-161	30.1	76.1	69.9	1.3	0.9
Boomer	GWL023	43-107 116-138	33.7	76.0	69.7	1.4	1.0
NW Fingerpost Hill 1	GWL032	68-104	27.2	77.7	68.8	2.0	1.4
George Hill South 2	GWL070	40-83	23.5	71.9	70.0	1.1	0.6
Average			**28.7**	**74.7**	**69.6**	**1.4**	**1.0**

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Ongoing Exploration and Test Work

The results of Stage I drilling are very encouraging and warrant further exploration at Gawler. METS has proposed an oxide (hematite) and magnetite test work programme to assess the metallurgy and mineralogy of each ore type. These studies will focus on cost-effective beneficiation methods such as dry magnetic separation that may allow for relatively simple upgrading of ore, possibly producing a product suitable for sinter feed.

Stage II diamond drilling programme will provide important new information on the structural geology and metallurgy of the known target areas and will also test a limited number of new targets that were identified during the Stage I drilling programme. Stage II drilling will be partly funded by the South Australian Government as part of the PACE *Theme 2 – Drilling Collaboration between PIRSA and Industry*. Only 23 projects from 63 proposals were successful and are viewed by PIRSA "as the highest quality exploration targets based on sound technical, scientific and commercial criteria".

Figure 5 – RC drill rig at Northwest Fingerpost Hill 1.

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Table 2 **Stage I drilling results – In situ grades of mineralized zones**

Hole ID	Easting (MGA 94)	Northing (MGA 94)	Dip	Azimuth (MGA)	EOH (m)		From (m)	To (m)	Width (m)	Style	Fe (%)
Boomer											
GWL019	351049	6646322	-60	305	96		27	76	**49**	ox/fr	**29.8**
					includes		45	62	**17**	fr	**40.6**
GWL020	351089	6646293	-60	305	180		44	161	**117**	fr	**26.9**
					includes		46	54	**8**	fr	**37.7**
					includes		135	155	**20**	fr	**39.0**
GWL021	351123	6646273	-60	305	132	*	81	132	**51**	fr	**24.5**
					includes		93	102	**9**	fr	**37.9**
GWL022	350860	6645965	-60	305	120		23	36	**13**	ox	**25.6**
							59	103	**44**	fr	**24.3**
GWL023	350901	6645936	-60	305	138	*	27	106	**79**	ox/fr	**33.5**
					includes		28	70	**42**	ox/fr	**40.8**
							112	138	**26**	fr	**26.3**
GWL024	350942	6645908	-60	305	132	*	50	68	**18**	fr	**20.6**
							87	132	**45**	fr	**38.9**
					includes		92	123	**31**	fr	**42.6**
GWL062	350919	6646137	-60	305	90		39	76	**37**	ox/fr	**23.3**
GWL063	350960	6646109	-60	305	75		14	64	**50**	ox/fr	**22.8**
GWL064	351001	6646080	-60	305	144		16	22	**6**	ox	**31.9**
							46	107	**61**	fr	**24.4**
							113	129	**16**	fr	**27.7**
GWL065	350819	6645994	-60	305	90		24	48	**24**	ox	**23.3**
GWL066	351042	6646051	-60	305	96		17	22	**5**	ox	**20.5**
Christie Extended											
GWL044	360164	6651125	-60	125	75		21	25	**4**	ox	**19.6**
							50	57	**7**	ox	**26.8**
GWL048R	360016	6651249	-60	125	132		22	66	**44**	ox	**31.9**
					includes		51	66	**15**	ox	**37.1**
							109	116	**7**	fr	**21.1**
GWL049	359959	6651268	-60	125	126		47	55	**8**	ox	**19.1**
							59	67	**8**	ox	**27.8**
							75	113	**38**	fr	**29.8**
GWL050	359918	6651297	-60	125	192		18	26	**8**	ox	**24.5**
							50	59	**9**	ox	**30.6**
							78	96	**18**	fr	**22.3**
							105	137	**32**	fr	**20.4**
							144	177	**33**	fr	**22.2**
GWL051	359877	6651326	-60	125	126		37	41	**4**	ox	**29.6**
							68	96	**28**	fr	**28.2**
GWL052	359836	6651249	-60	125	126		101	109	**8**	fr	**23.6**
							116	120	**4**	fr	**18.7**
Christie Flats											
GWL037	358586	6648956	-60	125	75		10	45	**35**	ox	**36.7**
					includes		11	27	**16**	ox	**47.9**
GWL041	358402	6649085	-60	125	75		34	62	**28**	ox	**25.9**
					includes		40	48	**8**	ox	**36.5**

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Table 2. Continued.

Hole ID	Easting (MGA 94)	Northing (MGA 94)	Dip	Azimuth (MGA)	EOH (m)		From (m)	To (m)	Width (m)	Style	Fe (%)
George Hill South 2											
GWL069	359248	6640461	-60	125	75		4	30	**26**	ox	**23.5**
GWL070	359207	6640490	-60	125	84		6	12	**6**	ox	**20.7**
							24	83	**59**	ox/fr	**24.0**
North Fingerpost Hill											
GWL001	356209	6648277	-60	125	54		2	11	**9**	ox	**19.9**
GWL002	356169	6648306	-60	125	75		6	53	**47**	ox	**22.5**
					includes		35	46	**11**	ox	**31.8**
GWL003	356128	6648335	-60	125	120		16	41	**25**	ox	**20.5**
							69	106	**37**	fr	**20.1**
GWL004	356087	6648363	-60	125	102		51	88	**37**	fr	**21.2**
NW Fingerpost Hill 1											
GWL030	355597	6648797	-60	305	90	*	50	90	**40**	ox/fr	**25.6**
					includes		51	56	**5**	ox	**41.1**
GWL031	355638	6648769	-60	305	90	*	0	90	**90**	ox/fr	**37.4**
					includes		1	62	**61**	ox	**43.5**
GWL032	355679	6648740	-60	305	126		0	105	**105**	ox/fr	**35.2**
					includes		2	62	**60**	ox	**43.4**
GWL033	355720	6648711	-60	305	96		0	90	**90**	ox/fr	**34.1**
					includes		0	57	**57**	ox	**39.6**
GWL034	355761	6648683	-60	305	114		0	104	**104**	ox/fr	**29.6**
					includes		1	40	**39**	ox	**42.5**
GWL035	355802	6648654	-60	305	75	*	63	75	**12**	fr	**33.3**
NW Fingerpost Hill 3											
GWL026	355798	6650000	-60	305	108		7	12	**5**	ox	**30.9**
							19	66	**47**	ox/fr	**27.4**
							78	82	**4**	fr	**26.7**
GWL027	355839	6649971	-60	305	84		6	41	**35**	ox	**26.3**
							64	71	**7**	fr	**20.1**
GWL028	355880	6649942	-60	305	78		6	26	**20**	ox	**32.2**
							39	66	**27**	ox/fr	**27.1**
GWL029	355921	6649914	-60	305	50		39	45	**6**	ox	**19.4**
NW Fingerpost Hill 4											
GWL013	357031	6650235	-60	125	75		12	16	**4**	ox	**19.2**
GWL014	356990	6650264	-60	125	75		10	34	**24**	ox	**30.6**
					includes		18	27	**9**	ox	**37.7**
GWL015	356949	6650292	-60	125	96	*	16	24	**8**	ox	**25.9**
							32	50	**18**	ox	**34.2**
							74	96	**22**	fr	**25.9**
One Oak Hill											
GWL053	353859	6648054	-60	305	90		0	7	**7**	ox	**27.5**
							66	85	**19**	fr	**24.7**
GWL054	353900	6648026	-60	305	75		14	32	**18**	ox	**26.8**
GWL056	353818	6648083	-60	305	75		16	27	**11**	ox	**24.8**
GWL057	354162	6648269	-60	305	75		57	63	**6**	fr	**21.8**
GWL058	354040	6648355	-60	305	78		42	61	**19**	ox	**22.0**
GWL059	354081	6648327	-60	305	75		4	25	**21**	ox	**32.7**
					includes		9	21	**12**	ox	**38.6**

*hole terminated in magnetite gneiss

Mineralization style: fr - fresh magnetite gneiss; ox - oxidized hematite +/- magnetite gneiss

15 %Fe lower cut-off and minimum 4m interval. Waste zones up to 5m wide are included in the composites.

-ENDS-

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

Iron Road has a farm-in agreement with tenement holder Dominion Mining to earn up to 90% interest in the iron ore rights at the Gawler Iron Project, with the objective of expanding its footprint in the potential iron ore province. The project 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.

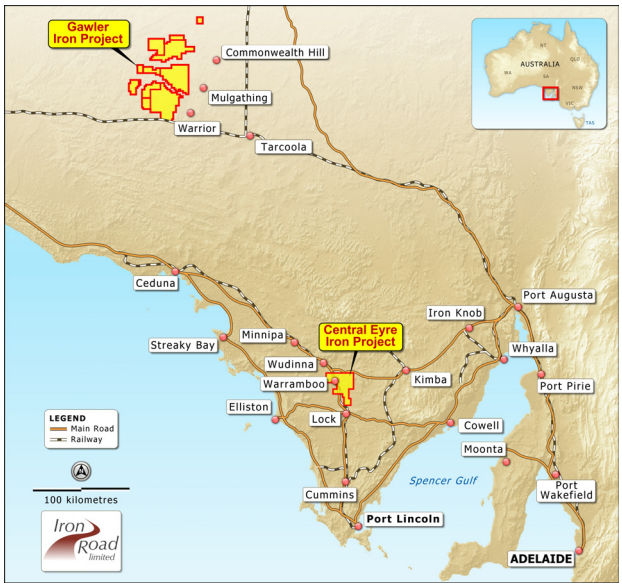

Figure 6 - South Australia project location map

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.