

PLACEMENT TO CONTINUE FAST TRACK DEVELOPMENT OF CENTRAL EYRE IRON PROJECT

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce it has placed 14,801,397 shares at a price of A\$0.55, raising total funds (before costs) of A\$8.1M. Funds raised under the issue will be primarily used to further advance the Central Eyre Iron Project (CEIP) and to allow for the completion of the prefeasibility study (PFS) by March 2011.

The shares have been placed to existing institutional investors, including several North American based institutions and clients of Southern Cross Equities Ltd. The shares have been issued pursuant to ASX listing rule 7.1.

Highlights

- Funds will allow further development of the CEIP beyond the current drilling programme and completion of the PFS due March 2011.
- PFS evaluating initial production of 10Mtpa of high grade iron concentrate – studies to date demonstrate excellent metallurgical properties, with relatively coarse grind sizes.
- Current drilling programme at Murphy South near completion, with JORC compliant mineral resource estimate report expected late January 2011. Exploration target for current program is 400-800Mt magnetite gneiss*. Combined with existing inferred resources at Boo-Loo, overall **mineral resource target at CEIP from current program stands at 700 million to 1.1 billion tonnes of magnetite gneiss.***
- Additional resource expansion drilling programs for 2011 scheduled.

Iron Road Managing Director, Mr Andrew Stocks, said that the fund raising would allow Iron Road to continue its aggressive development of the Central Eyre Iron Project.

“We began 2010 with 110 million tonnes in inferred resources and have the potential to begin 2011 with around a billion tonnes of resource defined at the CEIP,” said Mr Stocks.

“By any measure, this shows significant progress in developing the CEIP for the year and is a trend we intend to continue into 2011. The funds raised today will assist in keeping Iron Road on the fast track towards development.

“2011 will also see the completion of the CEIP PFS, which we are confident will establish robust economic parameters for the project.

“The strong institutional backing we have received and our ability to access the capital required to develop our projects is a key strength of Iron Road and will stand us in good stead as we continue to develop the CEIP,” said Mr Stocks.

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Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 1). The wholly owned Central Eyre Iron Project is a collection of three iron occurrences (Warrambo, Kopi & Hambidge) with an exploration potential of 2.8-5.7 billion tonnes magnetite gneiss*.

* Coffey Mining (Iron Road Limited ASX announcement 01 September 2009).

The information in this report that relates to Exploration Results and exploration targets at Murphy South 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.

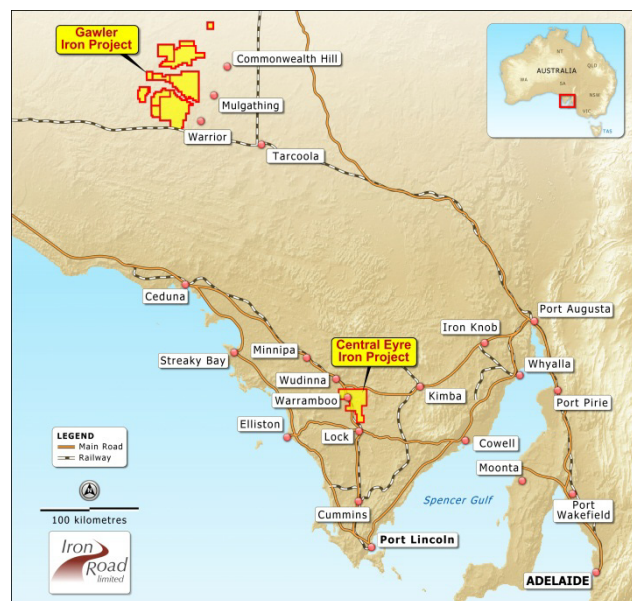


Figure 1 - South Australia project location map

The information in this report that relates to exploration targets at the Central Eyre Iron Project 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.

Boo-Loo Resource Estimate							
Resource Classification	Material Type	Mt	Fe %	SiO₂ %	Al₂O₃ %	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
Total		328	17.3	52.4	11.5	0.095	2.1

The Boo-Loo resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd, refer announcement of 30 June 2010 for further detail.

Indicative Concentrate Specifications

Project	Fe %	Mass Rec %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
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