

Central Eyre Iron Project

Progress Update March 2011

Iron Road Limited (Iron Road, ASX: IRD) is pleased to report on current progress at the Central Eyre Iron Project (CEIP).

Summary

- Prefeasibility study on track with anticipated completion of Boo-Loo/Dolphin component of the report by end of March 2011.
- Processing scenario determined whereby high pressure grinding rolls (HPGR) crushers eliminate the need for dry magnetic separation altogether resulting in an 8% increase of mass recovery to produce a coarse-grained, high grade sinter feed – this will have a positive effect on both CapEx and OpEx.
- Prefeasibility study geotechnical drilling at Murphy South complete and confirms high quality of rockmass, allowing for favourable parameters when designing optimum open pit shells.
- Commencement of resource extension drilling programme at Murphy South, expected to add 80-120Mt to the existing mineral resource estimate of 907Mt¹.
- Approval by PIRSA of Stage VI resource expansion drilling programme immediately west of Murphy South comprising 66 diamond holes totalling in excess of 25,000m.
- Continued sponsorship and support of local community events and organisations.

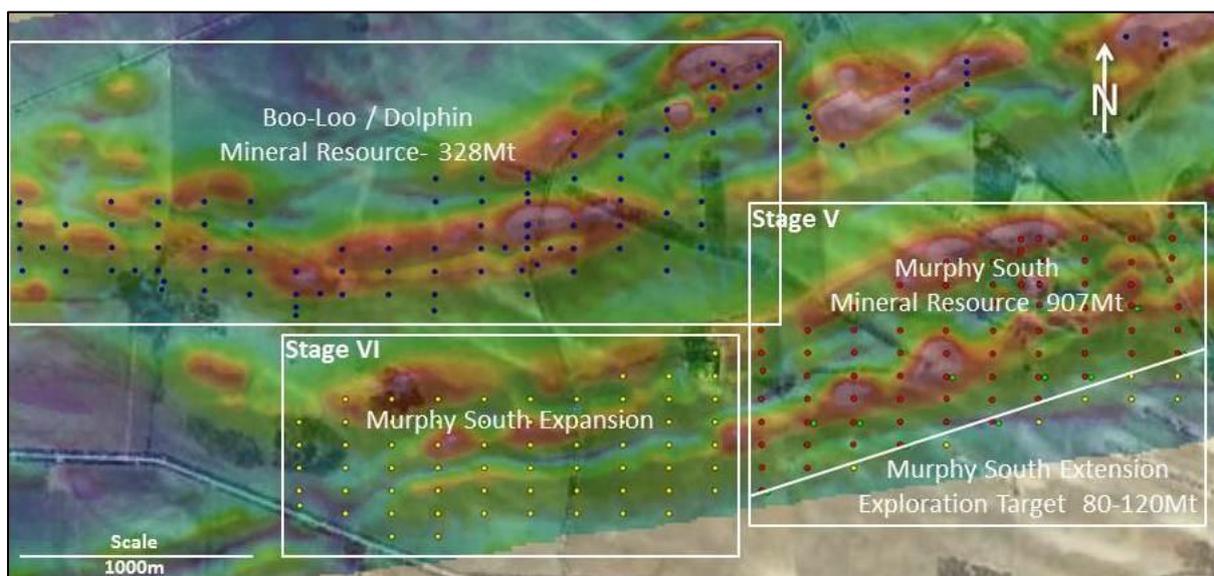


Figure 1 Existing CEIP mineral resources with Stage V Extension and Stage VI expansion drilling programme to the south and west of Murphy South respectively

¹ Refer Competent Person's Statement

Murphy South

Geotechnical Drilling

Ten HQ triple tube geotechnical drill holes (for 2,590m) were completed at Murphy South on 23 February 2011. Collected data will be used for optimisation and pit design of the Murphy South orebody for the prefeasibility study (Figures 2, 3). These drill holes confirmed the excellent physical properties of the rockmass favouring stable pit benches.



Figure 2 John Smith, Coffey Mining providing refresher training to field staff in geotechnical logging

Resource Extension

A resource extension programme of eight drill holes (for 4,520m) commenced at Murphy South on 20 February 2011 and is currently in progress (Figures 1, 3).

The purpose of this drilling is to intersect and record the down dip extension of the magnetite along six existing traverses (Figure 4). This drilling is expected to add approximately 80-120Mt to the existing mineral resource estimate of 907Mt at Murphy South².

² Refer Competent Person's Statement

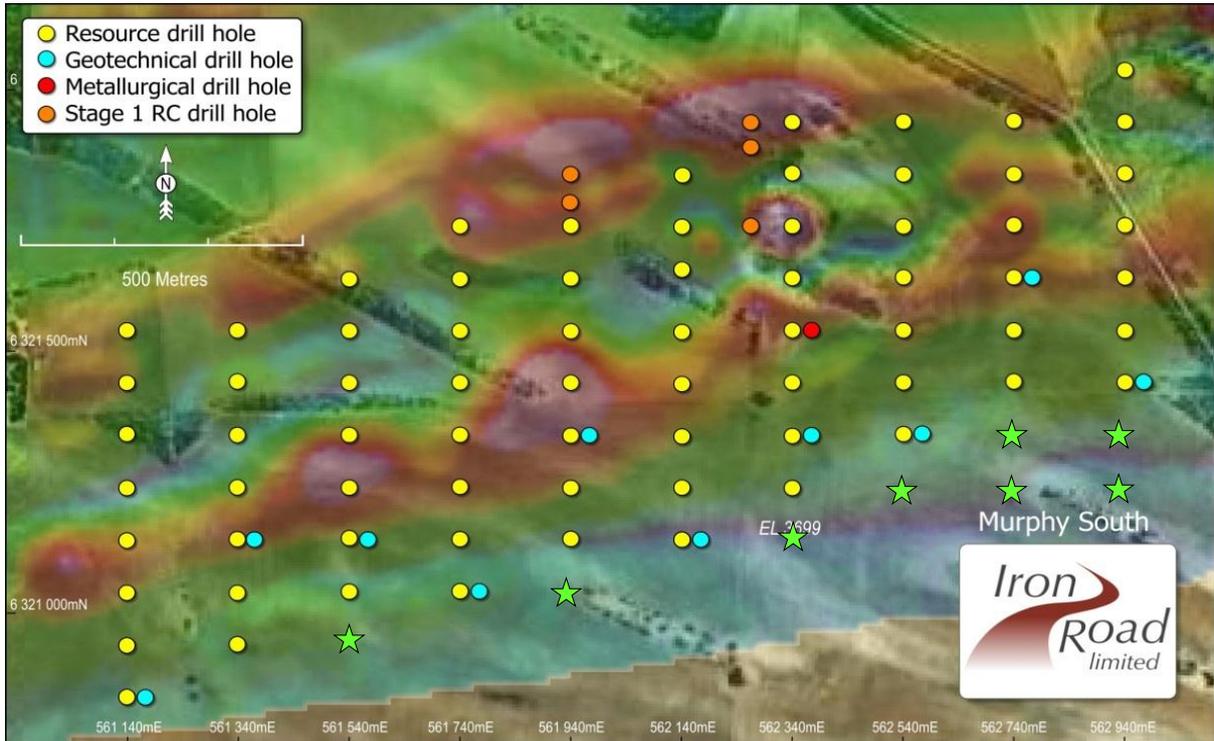


Figure 3 Plan of Murphy South – geotechnical drill hole collars shown in blue, current resource extension drill holes in green.



Figure 4 Cross-section of Murphy South (562740mE) looking west showing the position of two additional drill holes (red) to allow for the extension of the resource block model down dip.

Resource Expansion

Primary Industries and Resources South Australia (PIRSA) has approved the Stage VI drilling programme at Murphy South comprising 66 diamond holes totalling in excess of 25,000m.

Individual diamond holes range from 100m-600m in depth with drilling on a 200mx100m pattern. This drilling programme will explore the western extension of the Murphy South orebody over an area 800m wide x 2000m long (Figure 1).

Prefeasibility Study

Work is continuing on the prefeasibility study with anticipated completion for Boo-Loo/Dolphin by the end of March 2011. Test work on Murphy South is still in progress and this data will be incorporated into a final combined prefeasibility study document by the end of May 2011.

The prefeasibility study has considered four processing scenarios in some detail. Dry magnetic separation (DLIMS or coarse cobbing) has proven to work extremely well for both Boo-Loo and Murphy South ores. Similarly test work shows that the use of high pressure grinding rolls (HPGR) crushers will work well and efficiently and in one process scenario HPGR crushers eliminate the need for DLIMS altogether (Figure 5). In this scenario CapEx and OpEx are much reduced with an increase in the mass recovery from 20.5% to 22.1%, translating to an 8% increase in recoverable product.

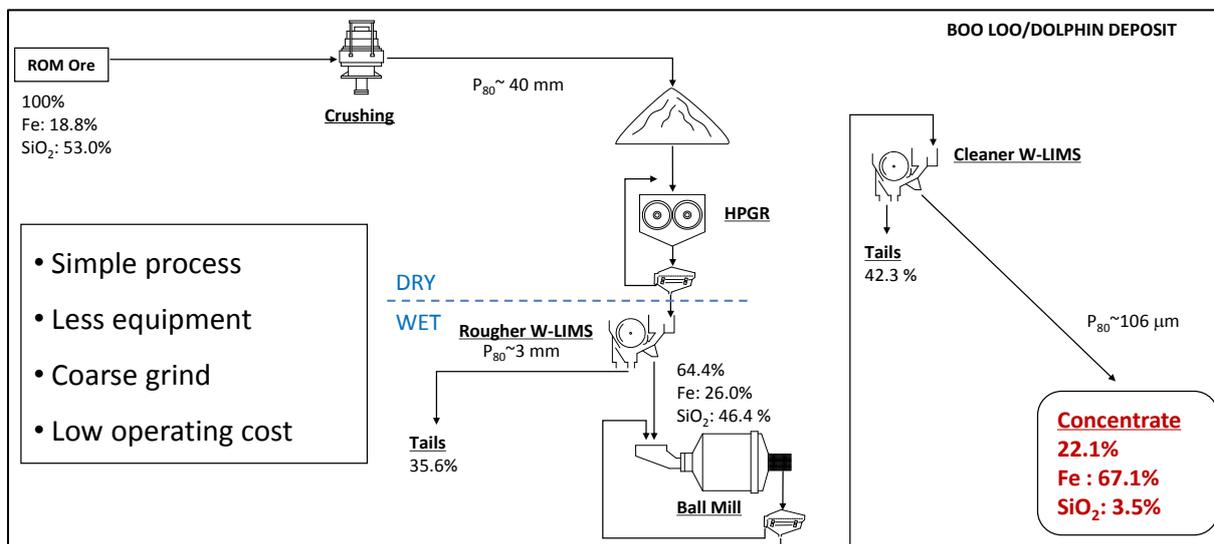


Figure 5 Process flow incorporating HPGR crushers and ball mills only

Marketing studies indicate that a coarse-grained, high grade sinter feed (P80 of -106 micron) with low impurities, is a product in high demand from the steel mills of southeast Asia.

In addition to excellent magnetic separation and HPGR test work results, comminution tests are within acceptable limits and broadly consistent, with little variability within and between the Boo-Loo and Murphy South areas.

Dynamic thickening tests demonstrate magnetite concentrate settling readily with thickening to ~80%, well above the required target value of 60-65%. This allows for concentrate thickeners to be discarded from the process flow-sheet design altogether. Similarly, test work indicates that tailings can be readily thickened to the required target value. These characteristics allow for reduced CapEx and OpEx.

Horizontal belt filtration (HBF) test work produced exceptional results with respect to the filtration rate and drying times and the target moisture content of 8% is easily achieved. These have direct bearing on reducing the required CapEx and OpEx. A typical filtration rate for magnetite is 708 kg/m²/h. Boo-Loo concentrate produced rates 3939-4883 kg/m²/h, indicating the need for a relatively small filtration area.

Community

The Company continued to sponsor local community events in Wudinna and Lock and provided donations and support to local sporting clubs in Warrambo and Kyancutta. Recent notable events include the Lock Cup picnic races and the 20/20 Challenge exhibition cricket match organised by the Eyre Peninsula and Port Adelaide Cricket clubs.



Figure 6 Iron Road was the major sponsor for the 45th Annual Lock Cup held on 20 February 2011

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Iron Road’s principal project is the Central Eyre Iron Project, South Australia (Figure 7). 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 to 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.

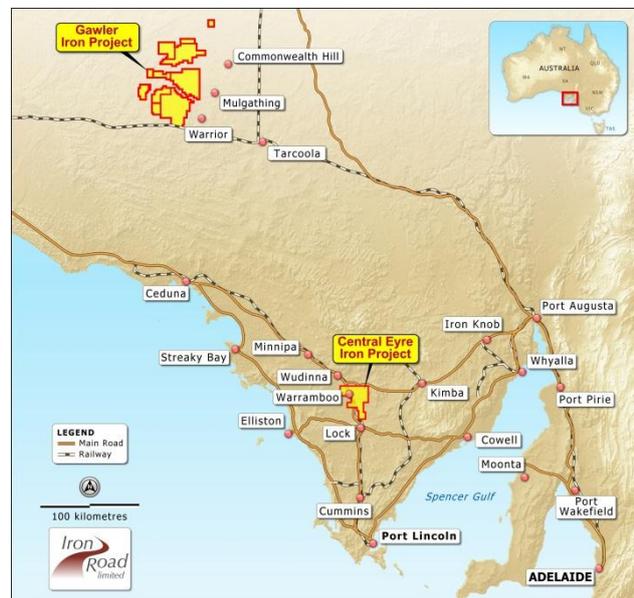


Figure 7 - South Australia project location map

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 those already estimated for the Boo-Loo and Murphy South prospects.