Central Eyre Iron Project

Stage IV Drilling Programme Results

Iron Road Limited (Iron Road, ASX: IRD) is pleased to advise that XRF assay and DTR test work results from the Stage IV Drilling Programme at the CEIP have been received and processed.

Summary

- Stage IV Drilling Programme for 8,298m tested several selected targets across E3699 based on the interpretation of a detailed aeromagnetic survey flown during October 2009.
- Traverse at Murphy South target led to the discovery of this orebody with a current mineral resource estimate (JORC) of 907Mt – currently drilling western extension.
- Assay results indicate continuous and correlatible intervals of magnetite mineralisation with potential for multiple mining operations by open cut methods.
- Magnetite Gneiss intersected at all targets drilled – Bens Hill, Murphy South (*Discovery Traverse*), Joshua, Fairview East and Hambidge North.
- Hambidge remains untested and will be drilled later this year. It is a large anomaly with the potential to rival Murphy South in size and tonnage.
- DTR test work from all targets drilled confirms low variability across the tenement and that a high quality iron concentrate with low impurities may be produced.

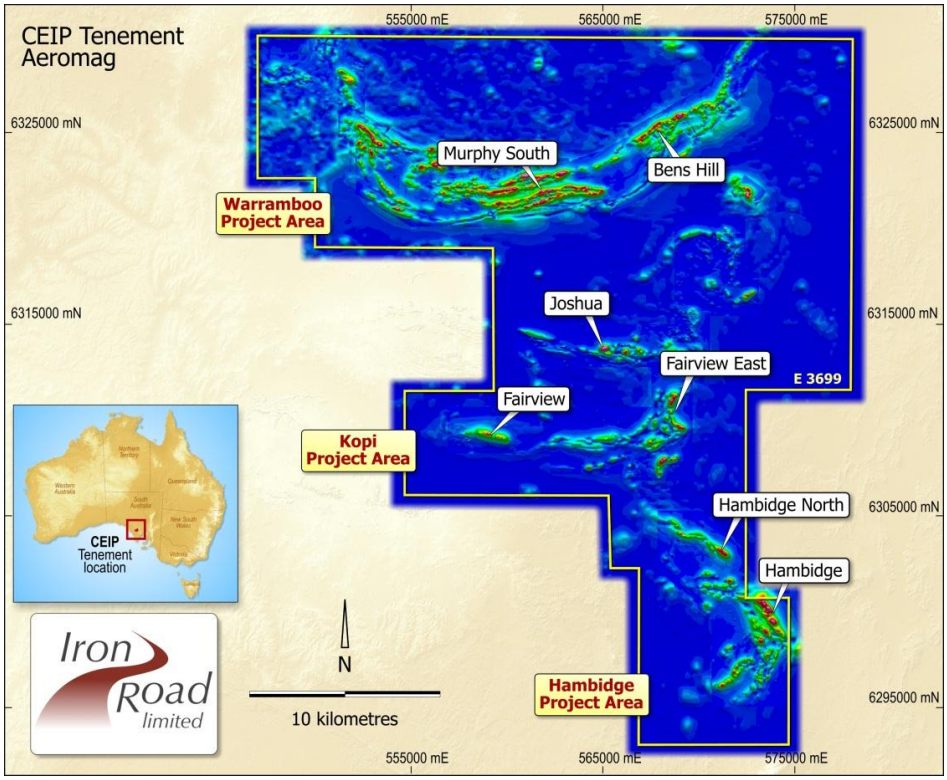

Figure 1 – Central Eyre Iron Project (CEIP) showing aeromagnetic anomalies and the locality of Stage IV targets.

Stage IV Drilling Programme

The second of several drilling programmes planned by Iron Road at the Central Eyre Iron Project during 2010 commenced during June 2010. The programme tested five of seven high potential targets for 8,298m, of which 6,308m was diamond core. Targets were selected from analysis of geophysical as well as historical data (Figure 1).

The drilling programme was designed to be both scalable and flexible since its purpose was to ultimately identify potential areas for resource expansion away from the Boo-Loo mineral resource. In line with this philosophy an initial traverse of three holes at Murphy South was extended by an additional five for a total of eight holes. Significant thicknesses of magnetite gneiss were intersected in the initial three holes, suggesting structural thickening and extension of magnetite gneiss to the south. Magnetite gneiss of similar thickness was subsequently intersected in the additional holes and this in turn led to the design of the Stage V drilling programme to further investigate this area as a high priority. The Stage V drilling programme culminated in the announcement in February 2011 of a JORC mineral resource estimate report of 907Mt at Murphy South (combined mineral resource for CEIP 1.2Bt).

The initial success at Murphy South and subsequent commencement of the Stage V drilling programme to further investigate this area diverted resources away from the other targets; notably the large and intense aeromagnetic anomaly at Hambidge. In addition some core from the Stage IV drilling programme was stockpiled and processed after completion of the Stage V resource and geotechnical drilling programme. Results have now been received and are presented in this announcement.

Targets

Bens Hill

Nine holes were drilled at Ben's Hill (Figures 1, 2) across three traverses for a total of 2,373m. The magnetic anomaly targeted is over 4,000m in length.

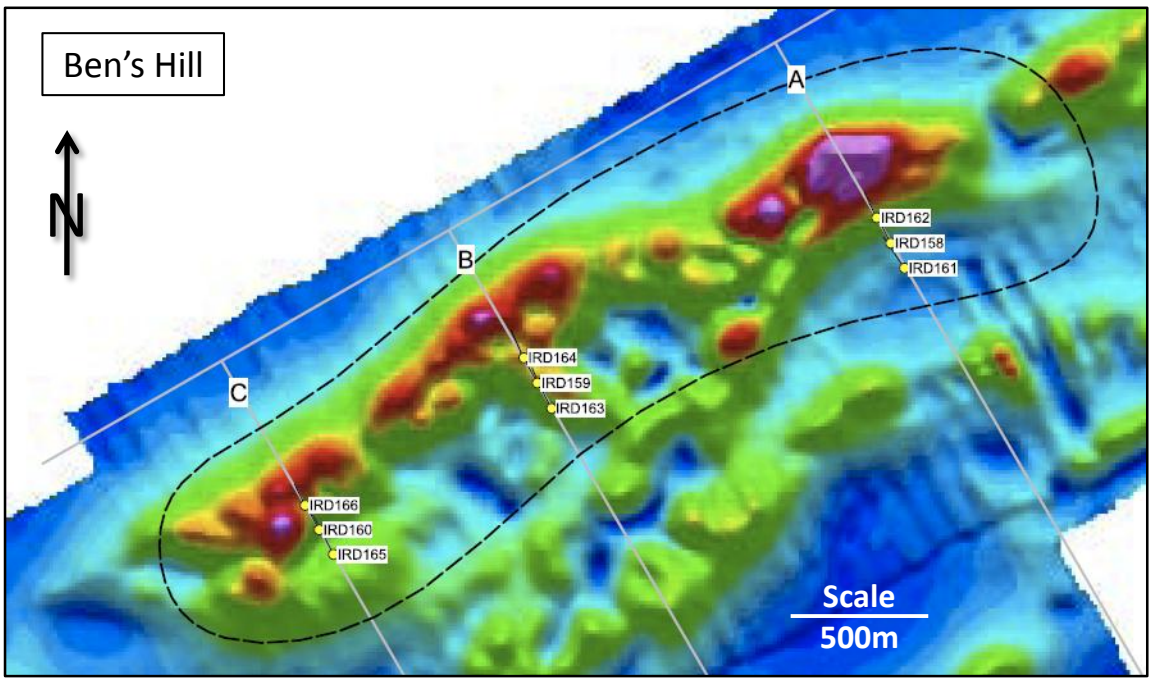

Figure 2 – Plan view of the three drill traverses targeting the Ben's Hill magnetic anomaly.

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All drill holes intersected magnetite gneiss and significant assay results are tabulated later in this announcement. A cross section from drill traverse marked C in figure 2 is presented below.

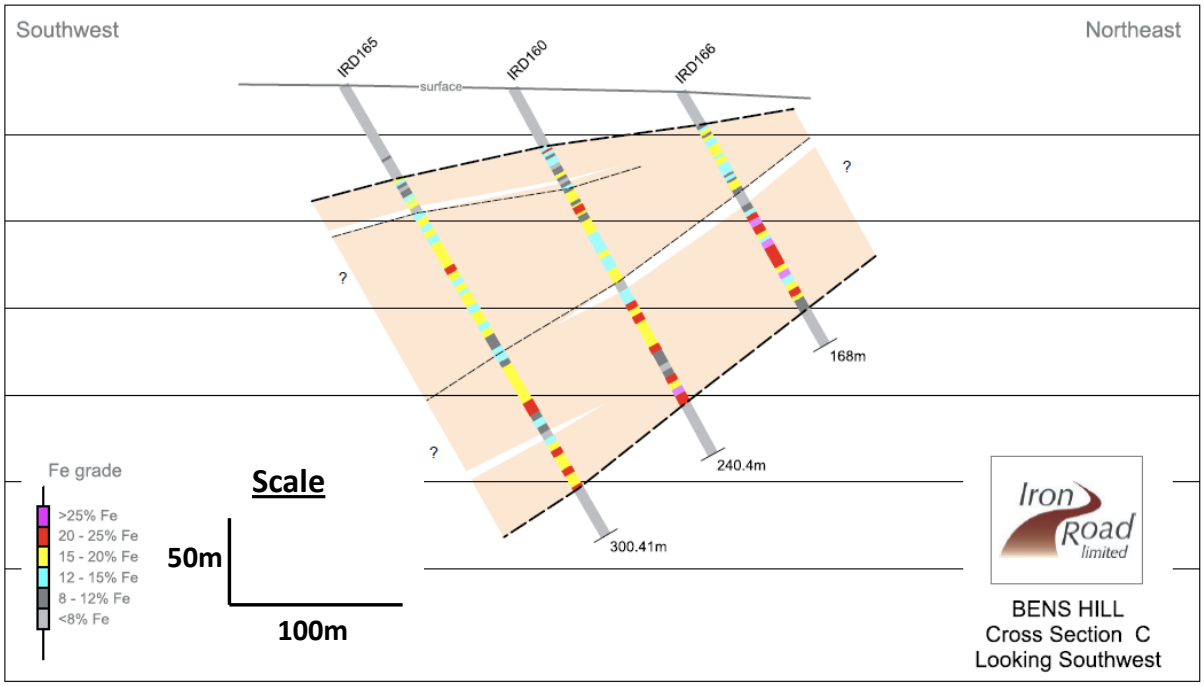

Figure 3 – Cross-section of Traverse C at Ben's Hill.

Murphy South

Three drill holes were originally planned for Murphy South. The traverse was subsequently expanded to eight drill holes for a total of 2,841m (Figures 1, 4). These drill holes, combined with Stage I drilling and geophysical inversion modelling, suggested that a large body of magnetite gneiss occurs in the area, possibly as an overturned isoclinal fold, with a south southeast dipping axial plane. This has the effect of thickening the magnetite gneiss through duplication; highly desirable from a mining perspective.

It also appeared that the geometry of the geological structure (possible synform) has led to destructive interference (a cancelling) of the magnetic signal in the centre of the structure, resulting in an apparent weak or absent response. Drilling subsequently confirmed that magnetite gneiss occurs relatively close to the surface in this area.

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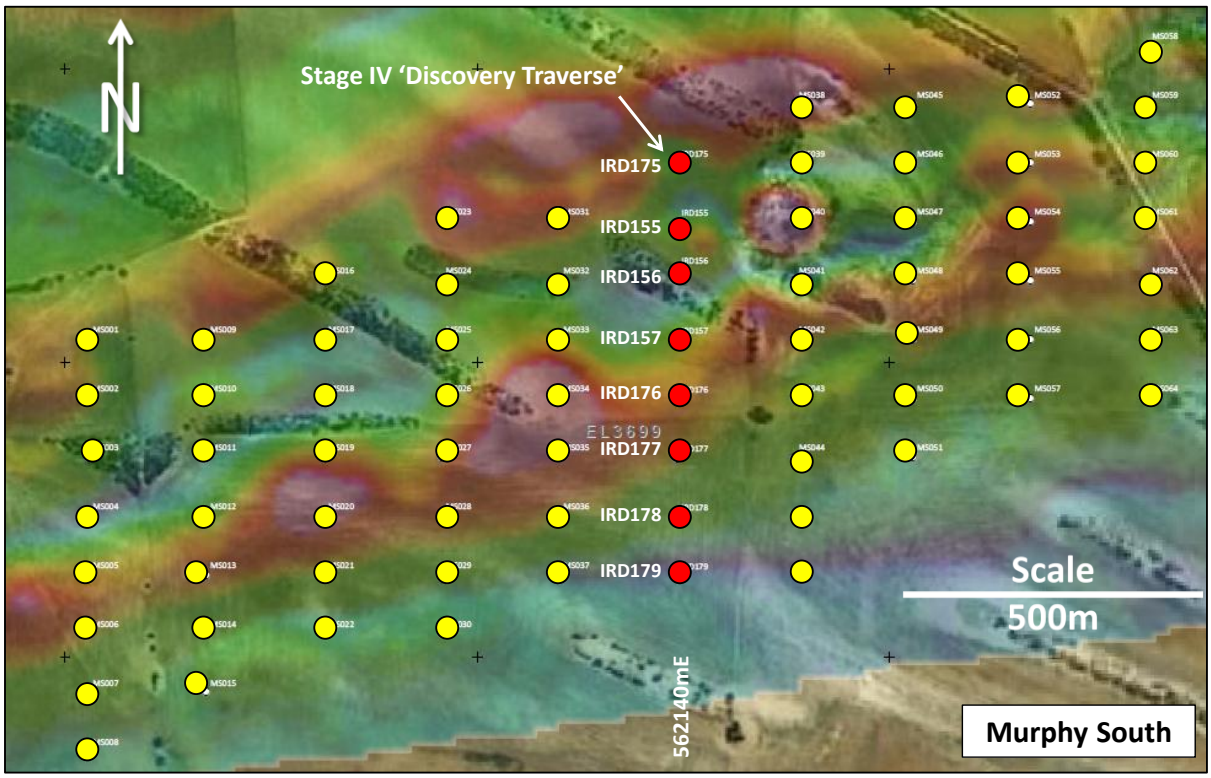

Figure 4 – An initial traverse of three drill holes at Murphy South (IRD155, 156 & 157) was extended by an additional five drill holes (shown in red). The subsequent Stage V programme is denoted by collars shown in yellow.

The traverse, referred to as the 'discovery traverse', intersected a large body of magnetite mineralisation, with a sectional area of approximately 179,000m^2 (Figure 5).

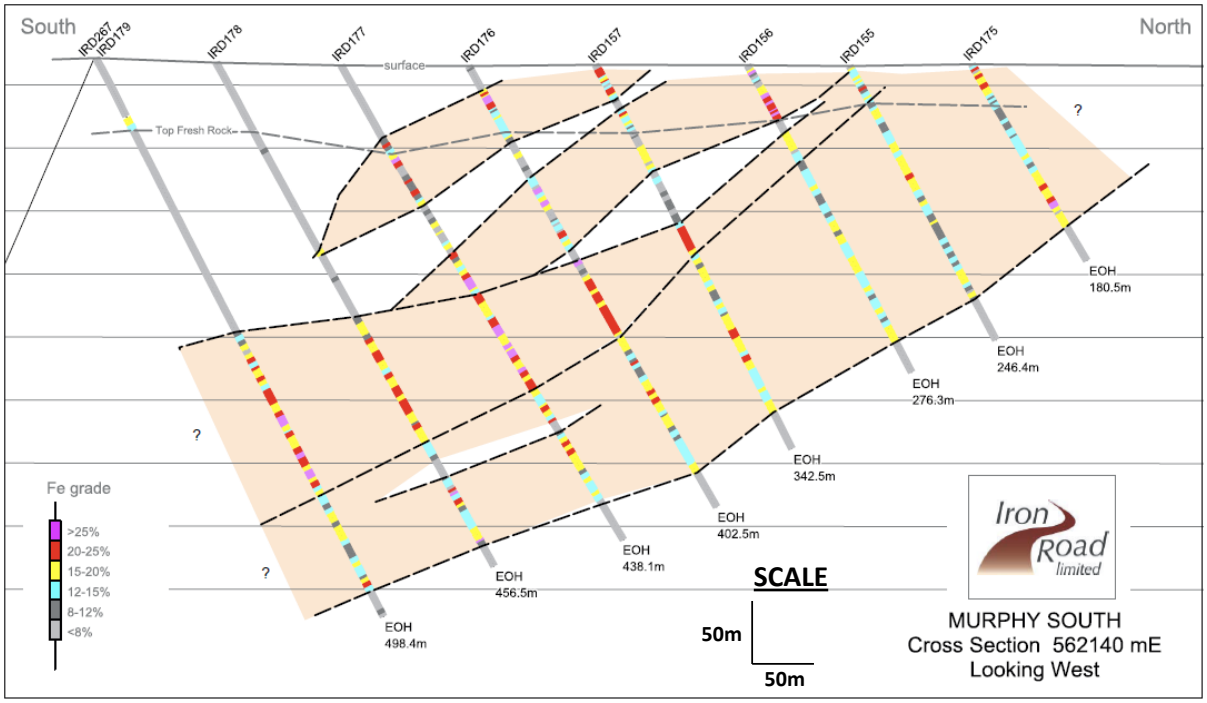

Figure 5 – Stage IV 'discovery traverse' in cross-section.

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Based on the success of the 'discovery traverse' the Stage V drilling programme commenced during August and concluded mid-December 2010. The programme comprised 22,645m, most of which was NQ2 diamond core. During mid-January 2011 a 2,600m geotechnical drilling programme commenced and during February 2011 a JORC mineral resource estimate report of 907Mt was announced.

Joshua

A single traverse of three holes for 801m was drilled at Joshua, targeting the strongest of a series of discrete magnetic anomalies (Figures 1, 6).

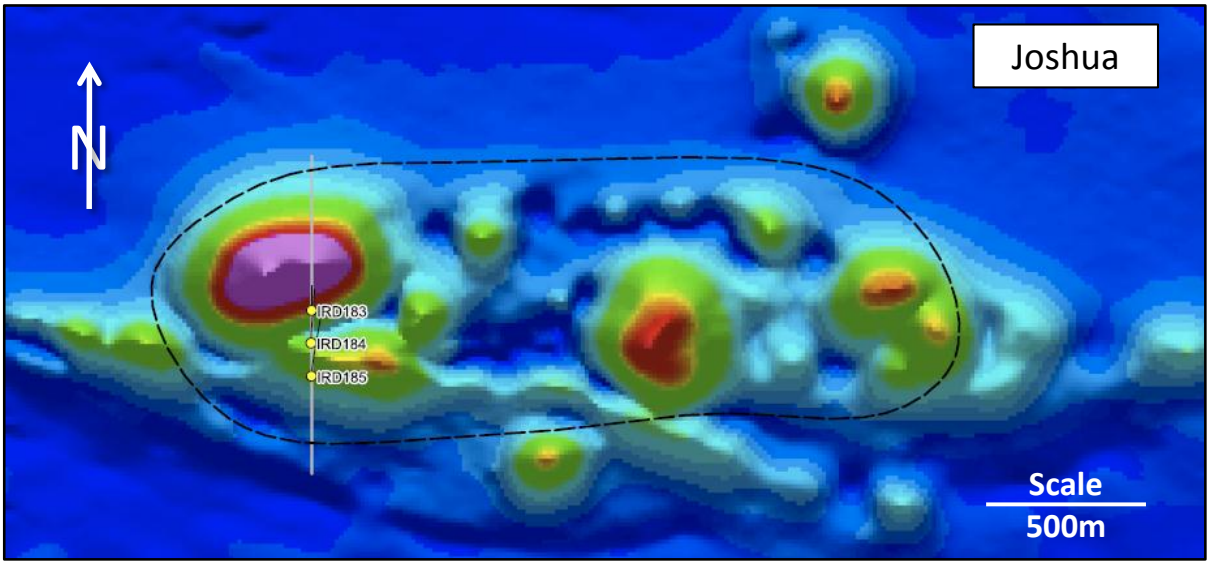

Figure 6 – Plan view of the single drill traverse targeting the Joshua magnetic anomaly.

The drilling was successful in intersecting high grade magnetite gneiss as shown in figure 7 below. Significant assay results are tabulated later in the announcement.

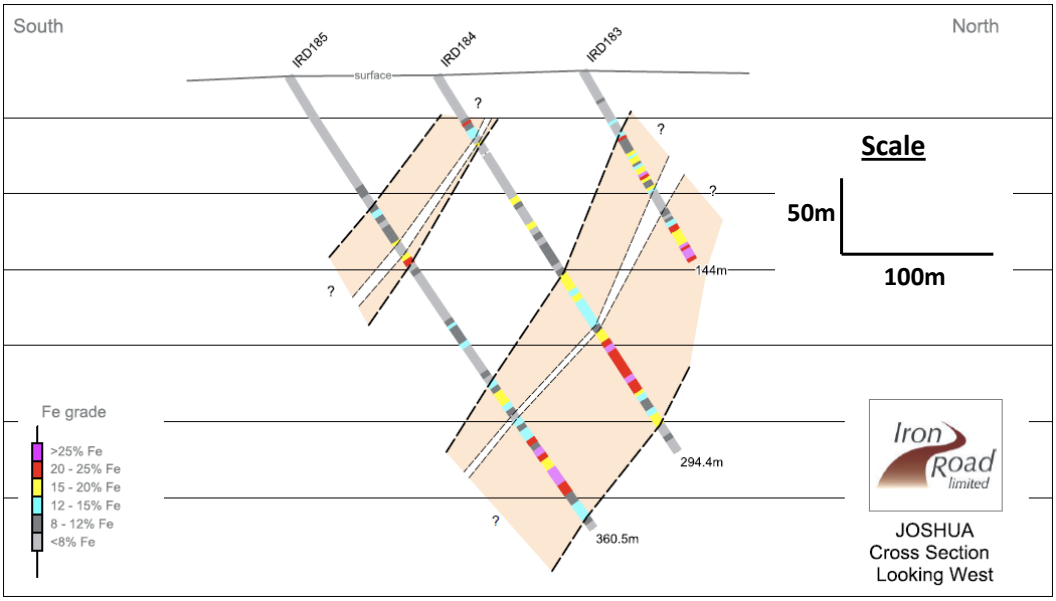

Figure 7 – Cross-section of Traverse at Joshua.

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Fairview East

Six holes were drilled at Fairview East across two traverses for a total of 1,226m (Figure 8). The magnetic anomaly targeted is over 3,000m in length.

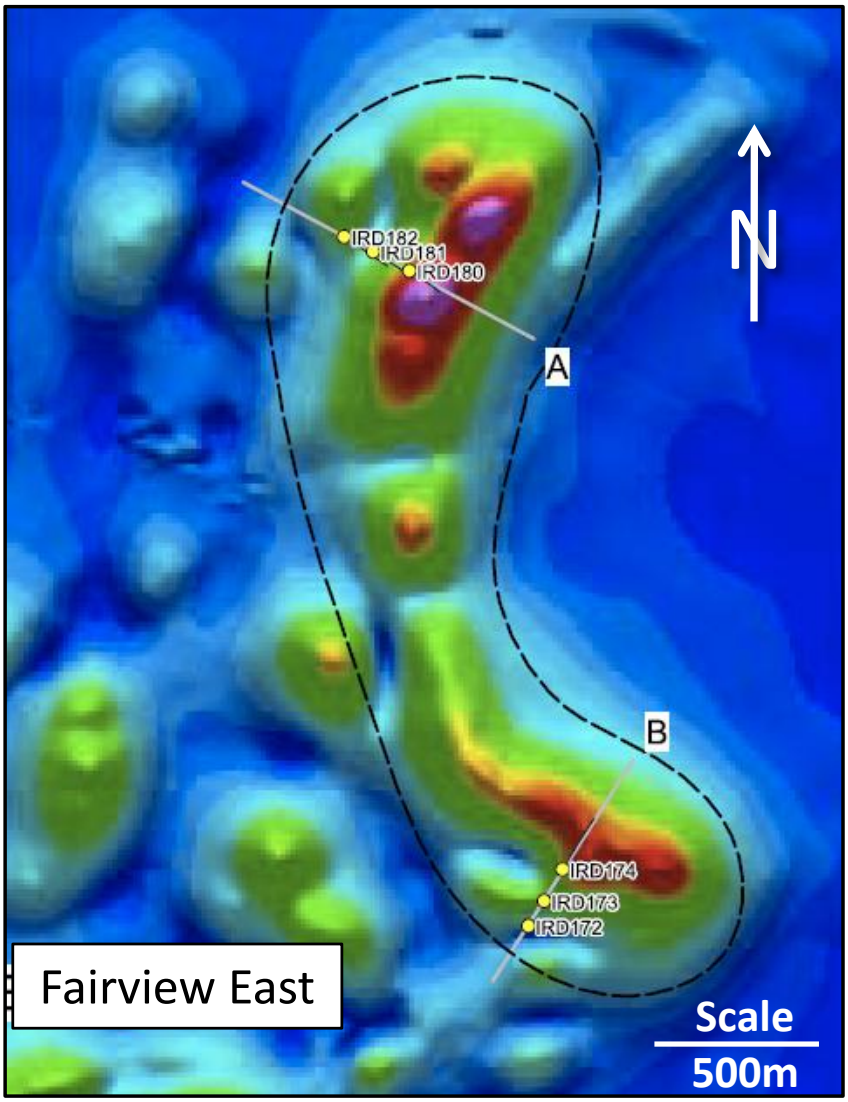

Figure 8 – Plan view of the two drill traverses targeting the Fairview East magnetic anomaly.

Significant assay results are tabulated later in the announcement.

Fairview

Although originally the intention to target the 2,000m long magnetic anomaly at Fairview (Figure 1), a change in priorities meant that this drilling was postponed indefinitely.

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Hambidge North

Three holes were drilled at Hambidge North across one traverse for a total of 883m (Figure 9). The magnetic anomaly targeted is over 1,500m in length and returned high grade results (Figure 10).

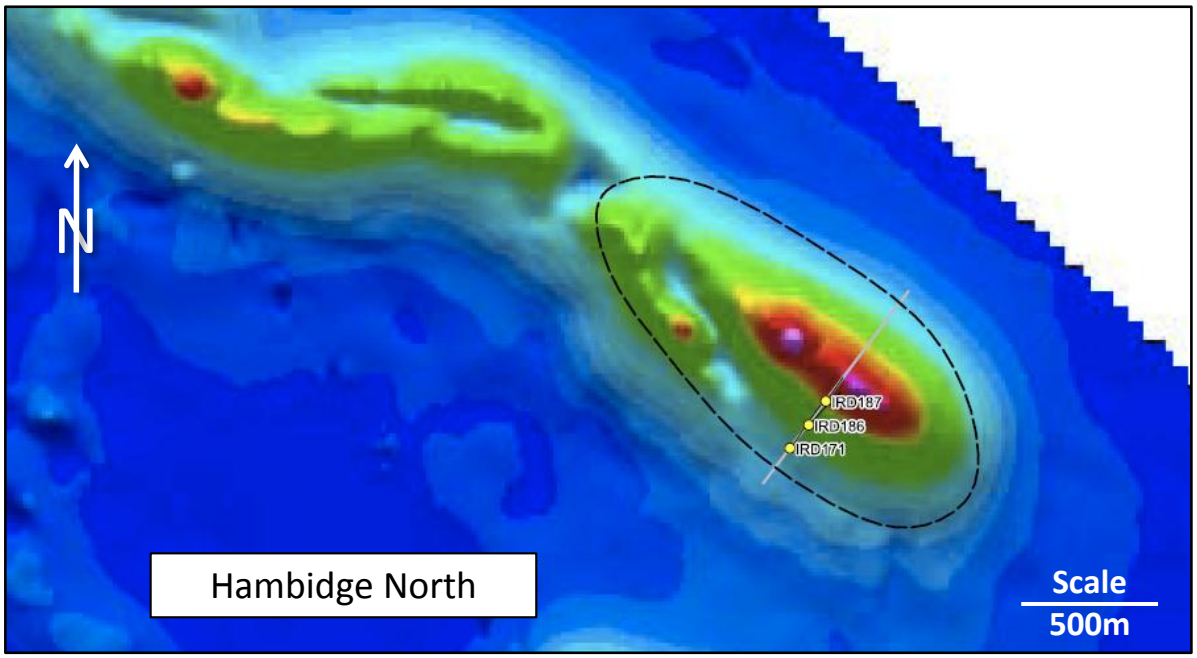

Figure 9 – Plan view of the single drill traverse targeting the Hambidge North magnetic anomaly.

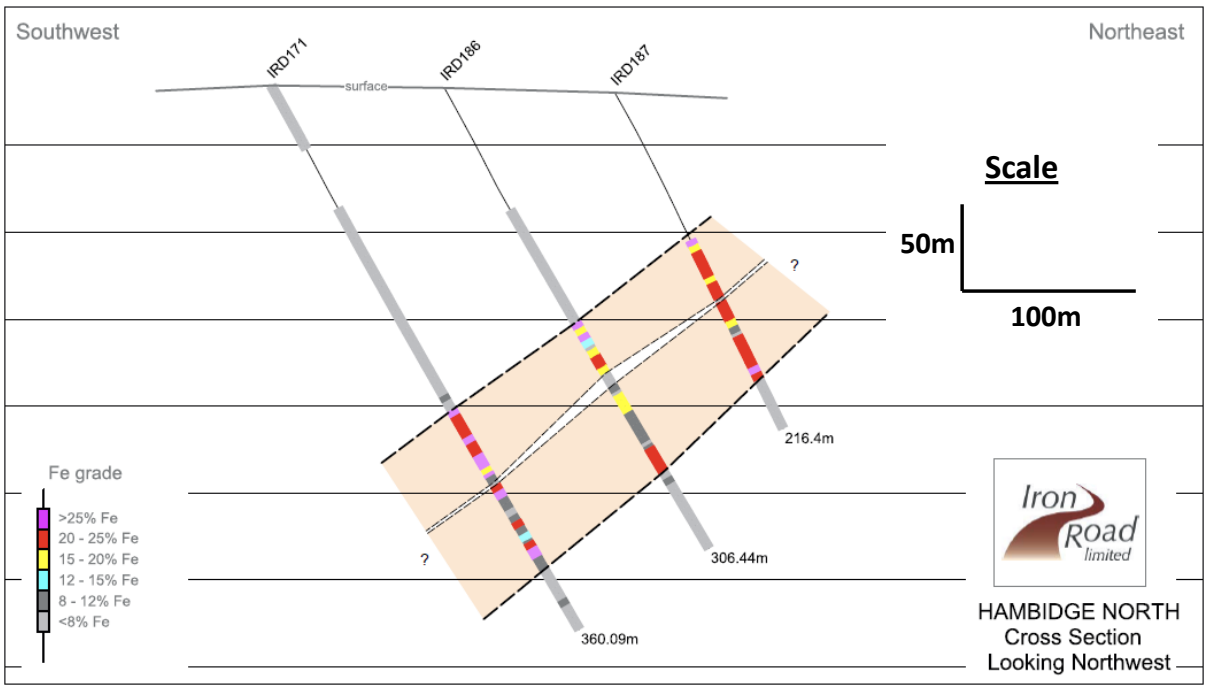

Figure 10 – Cross-section of Traverse at Hambidge North.

Significant assay results are tabulated later in the announcement.

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Hambidge

The magnetic anomaly targeted at Hambidge is over 3,000m in length and over 1,000m wide across its southern extent. Four pre-collars were drilled, one at each traverse, for a total of 174m (Figure 11). Drilling was halted prematurely at Hambidge since the Stage V drilling programme at Murphy South was higher priority.

Hambidge is a large anomaly with the potential to rival Murphy South in size and tonnage. Assay results from Hambidge North, an extension of the Hambidge anomaly, indicates potential for above average iron head grades. A time extension has been granted by PIRSA to complete the drilling programme later during 2011.

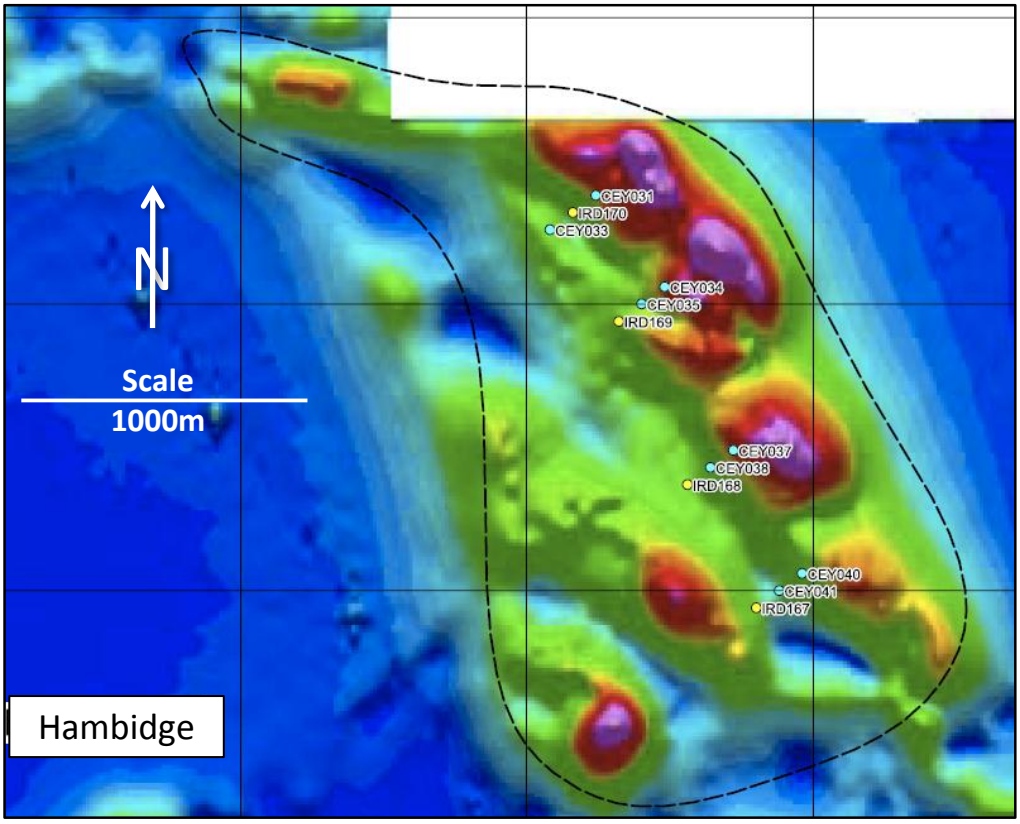

Figure 11 – Plan view of the four drill traverses targeting the Hambidge magnetic anomaly.

Significant Assays

All RC pre-collars and diamond tails were sampled by XRF methods. RC pre-collars were sampled using 2m composites and diamond core using 4m composites (2m across geological contacts).

Summary results are presented in Table 1 overleaf. Assays indicate consistent continuous down hole intervals of magnetite gneiss and within these broad intervals higher grade zones occur of varying width – these are included in the tabulation.

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Table 1- Summary of Significant Assays

Bens Hill

Hole ID	Type	Down hole intercepts (m)			Average iron (%)
		From	To	Interval	
IRD158	**Diamond**	**229**	**243**	**14**	**23.0**
IRD159	**Diamond**	**77**	**97**	**20**	**17.8**
	Diamond	**133**	**233**	**100**	**16.4**
IRD160	**RC**	**68**	**74**	**6**	**17.0**
	Diamond	**78**	**207**	**129**	**15.9**
	including	*141*	*173*	*32*	*19.9*
	including	*189*	*207*	*18*	*21.1*
IRD161	**Diamond**	**213**	**229**	**16**	**16.8**
	Diamond	**243**	**277**	**34**	**16.5**
	Diamond	**287**	**297**	**10**	**16.6**
IRD162	**Diamond**	**86**	**102**	**16**	**16.7**
	Diamond	**126**	**188**	**62**	**20.2**
	including	*150*	*188*	*38*	*24.2*
IRD163	**RC**	**36**	**66**	**30**	**19.3**
	Diamond	**192**	**214**	**22**	**16.0**
IRD164	**RC**	**24**	**42**	**18**	**17.2**
	Diamond	**42**	**75**	**33**	**15.2**
	Diamond	**109**	**173**	**64**	**17.2**
IRD165	**Diamond**	**85**	**269**	**184**	**15.8**
	including	*239*	*269*	*30*	*19.0*
IRD166	**RC**	**36**	**48**	**12**	**16.0**
	Diamond	**79**	**137**	**58**	**20.4**

Murphy South

Hole ID	Type	Down hole intercepts (m)			Average iron (%)
		From	To	Interval	
IRD155	**Diamond from 42m**	**2**	**210**	**208**	**14.1**
	including	*40*	*48*	*8*	*17.0*
	including	*70*	*78*	*8*	*18.6*
	including	*82*	*112*	*30*	*17.4*
	including	*184*	*196*	*12*	*17.7*
IRD156	**RC**	**4**	**8**	**4**	**21.8**
	RC	**20**	**50**	**30**	**22.6**
	Diamond	**61**	**249**	**188**	**14.2**
	including	*61*	*77*	*16*	*18.0*
	including	*153*	*161*	*8*	*17.0*
	including	*173*	*187*	*14*	*16.7*
	Including	*235*	*249*	*14*	*17.6*
IRD157	**RC**	**4**	**32**	**28**	**17.5**
	including	*4*	*10*	*6*	*21.2*

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	including	*22*	*28*	*6*	*20.7*
	RC	**44**	**48**	**4**	**20.3**
	Diamond	**74**	**88**	**14**	**16.9**
	Diamond	**142**	**310**	**168**	**16.3**
	including	*224*	*256*	*32*	*18.3*
	including	*260*	*272*	*12*	*19.0*
	including	*300*	*310*	*10*	*17.4*
IRD175	**Diamond from 42m**	**2**	**149**	**147**	**15.4**
	including	*8*	*28*	*20*	*19.3*
	including	*99*	*135*	*36*	*19.1*
	including	*137*	*149*	*12*	*17.3*
IRD176	**RC**	**22**	**69**	**47**	**16.6**
	including	*22*	*38*	*16*	*22.8*
	Diamond	**123**	**131**	**8**	**23.0**
	Diamond	**191**	**371**	**180**	**16.5**
	including	*191*	*245*	*54*	*21.1*
	including	*287*	*315*	*28*	*18.7*
	including	*319*	*329*	*10*	*16.6*
	including	*363*	*371*	*8*	*17.3*
IRD177	**Diamond from 84m**	**70**	**401**	**331**	**16.5**
	including	*81*	*93*	*12*	*21.7*
	including	*189*	*207*	*18*	*21.8*
	including	*211*	*231*	*20*	*19.5*
	including	*233*	*305*	*72*	*21.5*
	including	*313*	*323*	*10*	*17.3*
	including	*343*	*373*	*30*	*18.5*
IRD178	**Diamond**	**230**	**360**	**130**	**17.8**
	including	*250*	*278*	*28*	*20.2*
	including	*282*	*326*	*44*	*21.0*
	including	*328*	*344*	*16*	*18.4*
	Diamond	**378**	**438**	**60**	**16.0**
	including	*396*	*402*	*6*	*19.9*
	including	*422*	*434*	*12*	*19.3*
IRD179	**Diamond**	**244**	**476**	**236**	**17.4**
	including	*264*	*272*	*8*	*20.4*
	including	*276*	*292*	*16*	*20.4*
	including	*296*	*332*	*36*	*21.8*
	including	*334*	*382*	*48*	*21.3*
	including	*464*	*472*	*8*	*19.3*

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Joshua

Hole ID	Type	Down hole intercepts (m)			Average iron (%)
		From	To	Interval	
IRD183	RC	62	92	30	16.1
	RC	112	144	32	20.3
IRD184	Diamond	155	273	118	17.3
	including	*207*	*247*	*40*	*23.2*
IRD185	Diamond	250	332	82	18.4
	including	*296*	*332*	*36*	*23.8*

Fairview East

Hole ID	Type	Down hole intercepts (m)			Average iron (%)
		From	To	Interval	
IRD173	RC	62	70	8	18.0
IRD174	Diamond	52	117	65	16.8
	Diamond	181	229	48	17.8
IRD180	Diamond	54	185	131	16.0
	including	*145*	*177*	*32*	*19.3*

Hambidge North

Hole ID	Type	Down hole intercepts (m)			Average iron (%)
		From	To	Interval	
IRD171	Diamond	214	272	58	21.8
	Diamond	288	312	24	18.5
IRD186	Diamond	155	189	34	19.7
	Diamond	203	215	12	17.5
	Diamond	239	255	16	22.5
IRD187	Diamond	96	185	89	20.6
	including	*157*	*185*	*28*	*24.0*

DTR Test Work

Davis Tube Recovery (DTR) test work was undertaken on diamond core across intervals logged as magnetite with certain qualifying criteria by the geologist (visually and with the use of various aids). Individual samples comprise 4m composites with 2m composites across ore / waste contacts. All DTR's were conducted at a standard P80 of -40µm and are presented in Table 2 overleaf. A total of 502 DTR tests were completed.

DTR results indicate that a high quality iron concentrate may be produced from all drill holes across all targets with very low impurities. In addition variability between targets appears low.

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Table 2 **Stage IV – DTR Test Work***

Target	Hole ID	No of composites	Iron Head Grade (%)	Mass Rec. (%)	Concentrate grades (%)			
					Fe	SiO_2	Al_2O_4	P
Ben's Hill	IRD158	11	16.4	18.3	70.0	1.39	0.81	0.00
Ben's Hill	IRD159	16	19.4	21.0	70.3	0.90	0.71	0.00
Ben's Hill	IRD160	23	18.4	18.0	70.3	0.91	0.81	0.00
Ben's Hill	IRD161	14	16.4	15.7	69.4	1.76	1.07	0.00
Ben's Hill	IRD162	20	20.1	20.8	70.1	1.14	0.81	0.00
Ben's Hill	IRD163	7	16.3	17.8	69.3	1.07	0.80	0.00
Ben's Hill	IRD164	15	18.5	19.9	70.2	0.96	0.80	0.00
Ben's Hill	IRD165	36	17.1	15.7	70.2	1.01	0.76	0.00
Ben's Hill	IRD166	14	21.4	22.1	70.4	0.95	0.84	0.00
Totals/Weighted Average		**156**	**18.3**	**18.5**	**70.1**	**1.09**	**0.81**	**0.00**
Murphy South	IRD155	26	16.0	14.2	69.4	1.23	0.97	0.00
Murphy South	IRD156	22	15.9	16.5	70.0	1.16	0.99	0.00
Murphy South	IRD157	28	18.0	19.0	69.7	1.24	1.02	0.00
Murphy South	IRD175	21	16.7	16.9	69.9	1.14	0.95	0.00
Murphy South	IRD176	47	18.6	19.3	69.6	1.23	0.98	0.00
Murphy South	IRD177	41	20.4	20.0	69.7	1.22	1.03	0.00
Murphy South	IRD178	23	20.0	22.9	69.6	1.18	1.12	0.00
Murphy South	IRD179	43	18.8	16.9	70.1	1.06	0.81	0.00
Totals/Weighted Average		**251**	**18.3**	**18.3**	**69.8**	**1.18**	**0.97**	**0.00**
Joshua	IRD184	14	21.6	26.0	69.9	1.08	1.08	0.00
Joshua	IRD185	16	21.1	23.3	69.5	1.28	1.46	0.00
Totals/Weighted Average		**30**	**21.3**	**24.6**	**69.7**	**1.19**	**1.28**	**0.00**
Fairview East	IRD174	12	18.2	20.9	70.3	1.54	0.57	0.00
Fairview East	IRD180	3	18.2	22.7	70.5	1.25	0.52	0.00
Fairview East	IRD182	2	17.2	18.9	69.6	1.44	1.35	0.00
Totals/Weighted Average		**17**	**18.1**	**21.0**	**70.3**	**1.48**	**0.65**	**0.00**
Hambidge North	IRD171	17	23.8	24.4	70.4	1.37	0.51	0.00
Hambidge North	IRD186	10	21.0	23.5	69.6	2.26	0.70	0.00
Hambidge North	IRD187	21	22.5	20.1	69.9	1.82	0.65	0.00
Totals/Weighted Average		**48**	**22.7**	**22.3**	**70.0**	**1.75**	**0.61**	**0.00**

Notes. Davis Tube Recovery composites comprise 4m diamond core (2m across contacts). P80 of -40 µm.

– ENDS –

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APPENDIX 1

Stage IV Drilling Programme Summary

Hole ID	Target	Drilling Type	Easting (MGA 94)	Northing (MGA 94)	RC Precollar (m)	Depth Final (m)
IRD155	Murphy South	DD	562140	6321738	42	246.4
IRD156	Murphy South	DD	562140	6321658	54	276.3
IRD157	Murphy South	DD	562140	6321538	72	342.5
IRD158	Bens Hill	DD	569176	6325601	42	270.5
IRD159	Bens Hill	DD	567961	6325119	48	264.2
IRD160	Bens Hill	DD	567208	6324613	78	240.9
IRD161	Bens Hill	DD	569225	6325513	66	324.7
IRD162	Bens Hill	DD	569127	6325688	42	210.8
IRD163	Bens Hill	DD	568010	6325032	72	336.9
IRD164	Bens Hill	DD	567913	6325206	42	240.4
IRD165	Bens Hill	DD	567257	6324526	84	305.8
IRD166	Bens Hill	DD	567159	6324700	66	179.0
IRD167	Hambidge	RC	573800	6298940	54	54.0
IRD168	Hambidge	RC	573560	6299370	36	36.0
IRD169	Hambidge	RC	573320	6299940	66	66.0
IRD170	Hambidge	RC	573160	6300320	18	18.0
IRD171	Hambidge North	DD	571104	6302871	42	360.1
IRD172	Fairview East	RC	568887	6309414	108	108.0
IRD173	Fairview East	RC	568923	6309476	84	84.0
IRD174	Fairview East	DD	568974	6309562	52	318.4
IRD175	Murphy South	DD	562140	6321838	42	180.5
IRD176	Murphy South	DD	562140	6321438	84	402.5
IRD177	Murphy South	DD	562140	6321338	84	438.1
IRD178	Murphy South	DD	562140	6321238	72	456.5
IRD179	Murphy South	DD	562140	6321138	60	498.4
IRD180	Fairview East	DD	568416	6311163	54	210.9
IRD181	Fairview East	DD	568494	6311122	72	216.4
IRD182	Fairview East	DD	568585	6311072	72	288.4
IRD183	Joshua	RC	565200	6313600	144	144.0
IRD184	Joshua	DD	565200	6313500	60	294.4
IRD185	Joshua	DD	565200	6313400	42	362.5
IRD186	Hambidge North	DD	571164	6302950	0	306.4
IRD187	Hambidge North	DD	571225	6303030	36	216.4
TOTAL					**1990**	**8298**

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Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 12). The wholly owned Central Eyre Iron Project is a collection of three iron occurrences (Warramboo, 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.

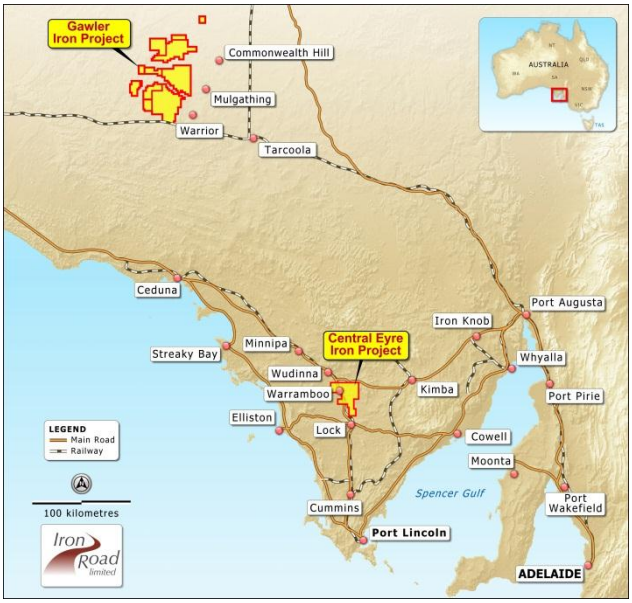

Figure 12 - South Australia project location map

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.*