

One Billion Tonne Mineral Resource at Murphy South, Central Eyre Iron Project

**Provides additional scale to underpin ongoing
feasibility and infrastructure developments**

Highlights

- Iron Road delivers cumulative upgrade to South Australia's largest iron ore Mineral Resource, following drilling to widen resource model for further mining study purposes.
- Stage V extension drilling adds 99Mt to existing 907Mt Mineral Resource estimate (compiled in accordance with the JORC Code) report for Murphy South for a total of 1.01 billion tonnes.
- Increase in the global Mineral Resources at Central Eyre Iron Project from 1.23Bt to 1.33Bt.
- Upgrade delivered as part of ongoing mineral resource extension and expansion drilling at Murphy South.
- Current Stage VI drilling at Murphy South (western portion) is approximately 65% complete with an exploration target across the 10 traverses of 500-800Mt magnetite gneiss¹.
- Coffey Mining has previously established an exploration target of 2.80 to 5.70Bt of magnetite gneiss at the project².

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce a resource upgrade at the Central Eyre Iron Project (CEIP), with the Mineral Resources increasing in size from 1.23Bt to 1.33Bt. The upgrade comes as part of an ongoing mineral resource expansion programme at Murphy South.

CEIP Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South	Indicated	585	16.7	52.9	12.6	0.09	0.3
	Inferred	421	16.6	52.6	12.7	0.08	1.2
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		1,334	16.8	52.7	12.3	0.09	1.0

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

The Mineral Resource estimate was calculated by Coffey Mining and is summarised in the table overleaf. Full details can be found in Attachment 2.

¹ Refer to exploration targets notes on page 4

² Refer Competent Person's Statement

Murphy South Mineral Resource Estimate								
Resource Classification	Oxidation	Material Type	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	Disseminated	272	17.7	52.5	12.0	0.09	0.3
		Banded	79	13.3	54.7	14.1	0.07	0.5
	Transitional Oxide	Disseminated and banded	27	16.3	50.6	14.0	0.06	5.7
			43	16.4	50.3	14.0	0.06	5.9
<i>Total Inferred</i>			421	16.6	52.6	12.7	0.08	1.2
Indicated	Fresh	Disseminated	325	19.2	51.6	11.4	0.10	0.2
		Banded	259	13.6	54.4	14.0	0.08	0.5
<i>Total Indicated</i>			585	16.7	52.9	12.6	0.09	0.3
Total Murphy South			1,006	16.7	52.8	12.6	0.09	0.7

The Murphy South mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (refer attachment 2).

With the establishment of over one billion tonnes in Mineral Resources at Murphy South alone, Iron Road continues to demonstrate the necessary size and scale of resource to underpin the capital required for a potential long life initial 12.4Mtpa high grade iron concentrate export operation and the development of associated export infrastructure.

Prefeasibility test work has demonstrated that at high quality concentrate grading 67% iron can be produced at Murphy South using a coarse grind size of -106µm. This product is suited as a high grade blast furnace sinter feed with low impurities.

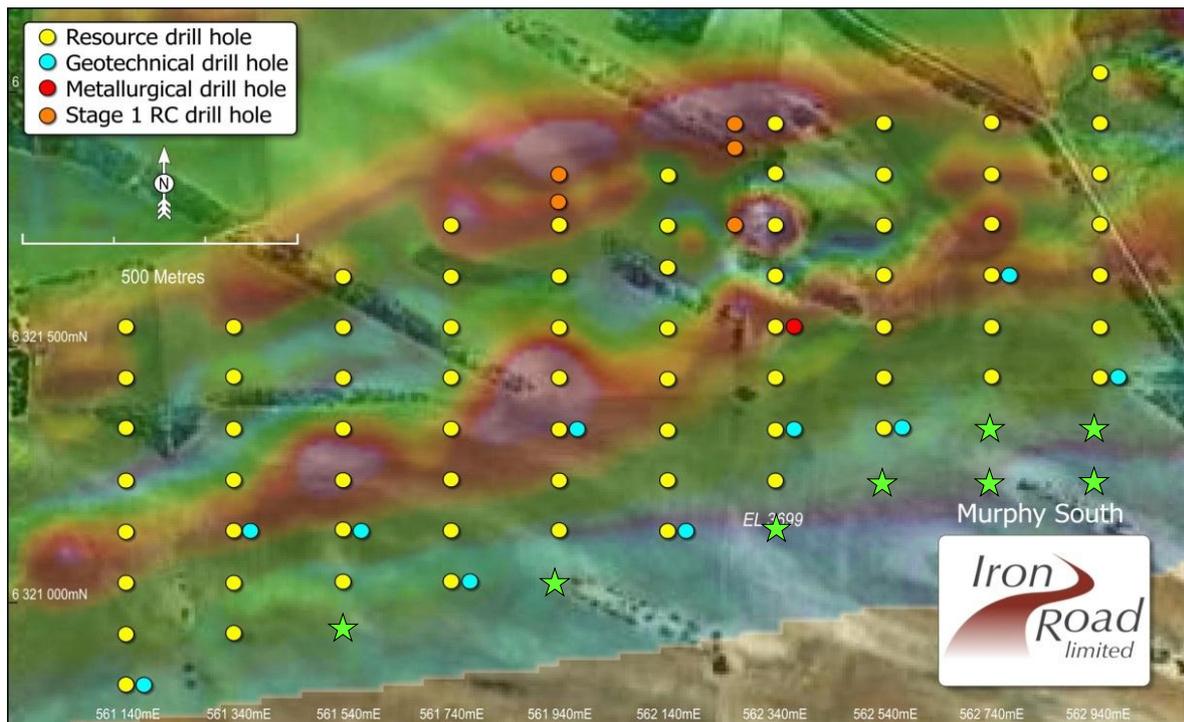


Figure 1 Plan of Murphy South – Stage V resource extension drill holes in green.

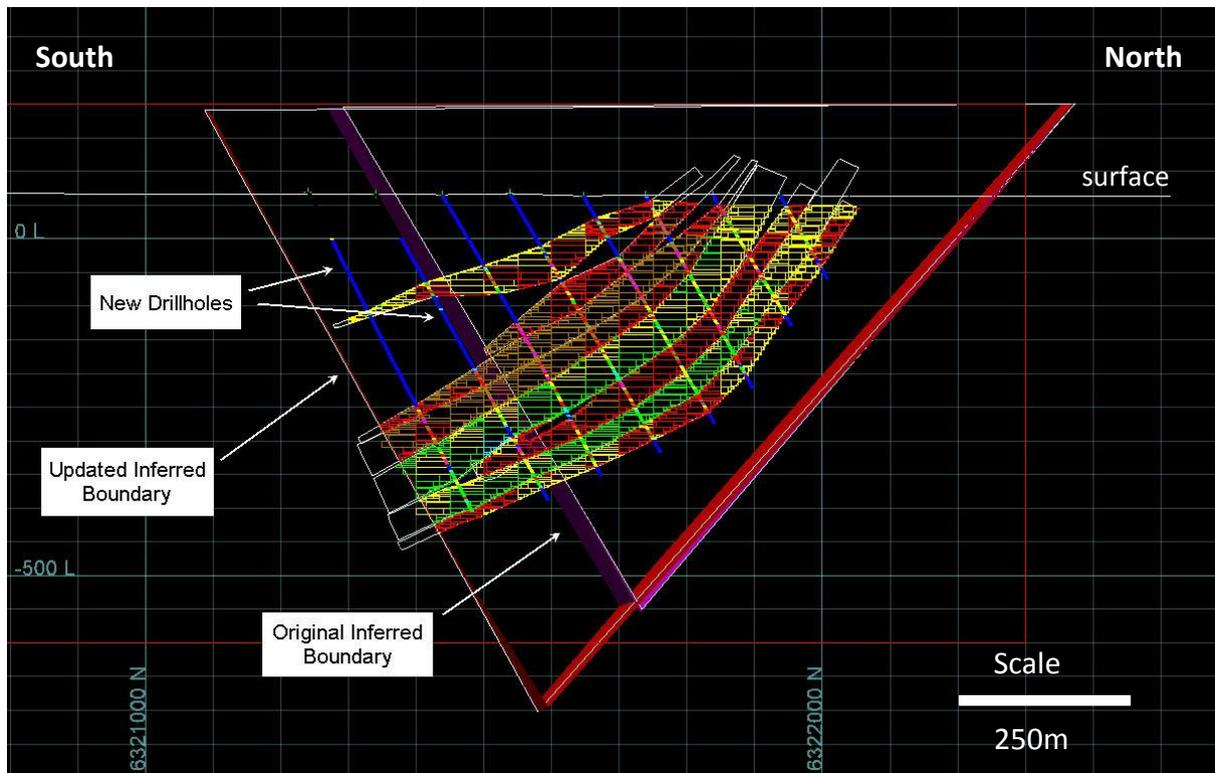


Figure 2 Cross-section of Murphy South (562740mE) looking west showing the position of two additional drill holes (extending the resource block model down dip).

-ENDS-

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Iron Road's principal project is the Central Eyre Iron Project in South Australia (Figure 3). The wholly owned Central Eyre Iron Project is a collection of three iron occurrences (Warrambo, Kopi & Hambidge) with an exploration potential of 2.8-5.7Bt of magnetite gneiss[^].

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.



Figure 3- South Australia project location map

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane and Mr Alex Virisheff, both of Coffey Mining Ltd, who are consultants and advisors to Iron Road Limited and Members of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane and Mr Virisheff have sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Macfarlane and Mr Virisheff consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to exploration targets 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.

[^] Coffey Mining (Iron Road Limited ASX announcement 01 September 2009).

**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 and Murphy South (Central) prospects.*

Attachment 1 – Mineral Resource Estimates

Murphy South Mineral Resource Estimate								
Resource Classification	Oxidation	Material Type	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	Disseminated	272	17.7	52.5	12.0	0.09	0.3
		Banded	79	13.3	54.7	14.1	0.07	0.5
	Transitional Oxide	Disseminated and banded	27	16.3	50.6	14.0	0.06	5.7
			43	16.4	50.3	14.0	0.06	5.9
<i>Total Inferred</i>			421	16.6	52.6	12.7	0.08	1.2
Indicated	Fresh	Disseminated	325	19.2	51.6	11.4	0.10	0.2
		Banded	259	13.6	54.4	14.0	0.08	0.5
<i>Total Indicated</i>			585	16.7	52.9	12.6	0.09	0.3
Total Murphy South			1006	16.7	52.8	12.6	0.09	0.7

The Murphy South mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (refer attachment 2).

Boo-Loo Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	277	17.3	52.5	11.5	0.01	0.5
	Transitional	13	17.0	52.4	11.6	0.09	10.7
	Oxide	38	17.2	52.1	11.6	0.09	10.8
Total		328	17.3	52.4	11.5	0.09	2.1

CEIP Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South	Indicated	585	16.7	52.9	12.6	0.09	0.3
	Inferred	421	16.6	52.6	12.7	0.08	1.2
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		1,334	16.8	52.7	12.3	0.09	1.0

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

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Memorandum

Date: 30 June 2011
Company: Iron Road Ltd
Attention: Larry Ingle
Copy: Alex Virisheff
From: Iain Macfarlane
Subject: **Resource Estimation at Murphy South Magnetite Prospect - Update**

Dear Larry

The Mineral Resource estimate update for magnetite and goethite maghemite mineralisation at the Murphy South Magnetite Prospect is complete. The Mineral Resource Statement as at 30 June 2011 is tabulated overleaf. The update incorporates eight additional diamond holes drilled downdip of the area originally estimated, the resource statement for which was released on 8 February this year.

The information in the report which relates to the Mineral Resource is based on information compiled by Iain Macfarlane and Alex Virisheff, who are Members of The Australasian Institute of Mining and Metallurgy. Iain Macfarlane and Alex Virisheff are employed by Coffey Mining Ltd.

Iain Macfarlane and Alex Virisheff have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

For and on behalf of Coffey Mining Pty Ltd



Iain Macfarlane
Associate Resource Geologist



Alex Virisheff
Principal Resource Geologist

Table 1
Iron Road Limited
Central Eyre Iron Project
Murphy South Magnetite Prospect
Mineral Resources
Grade Tonnage – 30th June 2011
Reported within Material Type Horizons
Fresh (Magnetite) and Transitional (Mixed - Magnetite and Hematite) and
Oxidised (Mixed - Goethite / Maghemite, Hematite and Magnetite)
Lower Grade Cutoff of 12% Fe Applied
Whole Rock Grades

Resource Class	Material Type	Oxidation State	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	CaO (%)	K ₂ O (%)	MgO (%)	MnO (%)	S (%)	TiO ₂ (%)
Inferred	Disseminated	Fresh	272	17.7	52.5	12.0	0.09	0.3	1.4	2.9	2.3	1.1	0.02	0.6
	Banded		79	13.3	54.7	14.1	0.07	0.5	1.1	3.3	2.5	2.4	0.01	0.6
	Mixed disseminated and banded	Transition	27	16.3	50.6	14.0	0.06	5.7	0.9	2	0.9	1.3	0.13	0.6
		Oxidised	43	16.4	50.3	14.0	0.06	5.9	1.2	1.8	0.8	1.3	0.13	0.6
Total Inferred			421	16.6	52.6	12.7	0.08	1.2	1.3	2.8	2.1	1.4	0.03	0.6
Indicated	Disseminated	Fresh	325	19.2	51.6	11.4	0.10	0.2	1.2	2.7	2.3	0.9	0.01	0.5
	Banded		259	13.6	54.4	14.0	0.08	0.5	1.1	3.3	2.5	2.4	0.01	0.6
Total Indicated			585	16.7	52.9	12.6	0.09	0.3	1.2	3.0	2.4	1.6	0.01	0.6

Notes:

- There is drilling coverage for the whole rock grades (in total 11 grade items) on a 200m by 100m grid over the target areas, drilling being aligned along sections orientated north south. Indications are that the strongly metamorphosed host rocks were originally part of a clastic sedimentary sequence. These host rocks, were intersected by 86 drillholes. Five of the drillholes were drilled in 2008 as part of an initial scout programme using reverse circulation (RC) methods. The remaining 81, collared by RC drilling followed by diamond tails, were drilled in 2010 and 2011 (eight drillholes). The additional eight drillholes results in the addition of 43Mt and 56Mt @ 16.7% Fe to the Indicated and Inferred Resources respectively.
- No updates to Davis Tube Testwork (DTT) results, statistical or variographic analyses or similar studies were carried out as a result of the eight additional drillholes, it being unlikely that they would make a material difference in the resource estimate update. This new data will be incorporated in a larger update scheduled for later in the year. However, the following mainly applies to the studies carried out during the original Murphy South resource estimate which was finalised in February 2011.
 - Statistical analyses on samples and 4m composites were completed. Variography was also conducted as input into the grade estimation.
 - Grade estimates were calculated for 100m (east-west) by 50m (north-south) by 10m (vertical) blocks. The interpolation method used to obtain grade estimates was Ordinary Kriging.
 - Average in situ dry bulk densities were applied. For the various fresh host rocks, bulk density values of 3.1t/m³ were used for grade ranges greater than 12% Fe. Density measurements obtained from downhole geophysical methods were assessed. Data is clustered and so is not representative of the prospect area as a whole. Further work is required in this aspect. No determinations have been carried out to ascertain in situ dry bulk density for the transition or oxidised materials. Values of 2.6t/m³ and 2.1t/m³ estimated from the Boo-Loo and Dolphin prospects located about 1km to the northwest of Murphy South, have been assigned to these materials respectively.
 - Classification into Indicated and Inferred Mineral Resource was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality. The requirements for infill drilling, together with uncertainties in geological interpretation and mineralisation envelopes in the more structurally complex zones and no density data for the oxide material have resulted in a part of the mineralised sequence being classified as an Inferred Mineral Resource.
 - Samples obtained from the existing drilling were composited to a nominal 4m interval and were submitted for DTT. Samples were taken from the unoxidised (fresh) portion of the drillholes.
 - DTT has been undertaken to determine the percent weight recovery (DTR) of magnetic material (concentrate). The concentrate has then been assayed to establish its grade characteristics.

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- As the concentrate grades are representative of the recovered portion only, the estimation requires the use of service variables to ensure the blocks are appropriately weighted. Service variables are calculated as DTR multiplied Fe grade, DTR multiplied SiO₂, DTR multiplied Al₂O₃ and so on for the remaining grade items (11 in all).
 - Statistical analyses were also completed on DTT samples, subsequent 4m composites and service variables. Variography was undertaken on DTR, concentrate grades and service variables.
 - Ordinary Kriging was used to obtain estimates of DTR and service variables. However, the reduced density of DTT data resulted in a large proportion of blocks being unestimated. Where blocks were not estimated, the average DTR for the zone was employed. As a consequence, the confidence level in the DTR and concentrate grade estimates is considered to be low.
 - Hence, mean values were derived from composite DTT data values to indicate the possible recovery and concentrate characteristics. (Note: samples selected for DTT composites were on the basis of geological logging of magnetite-rich horizons or whole rock Fe grades > 8%. They indicate that the DTR is likely to be in the order of 16.8% and the concentrate grade approximately 69.5% Fe, 1.2% SiO₂, 1.0% Al₂O₃, 0.007% P, -3.3% LOI, 0.08% CaO, 0.06% K₂O, 0.2% MgO, 0.7% MnO, 0.002% S and 0.1% TiO₂. These recoveries apply only to the fresh material. Testwork has yet to be carried out on transition and oxide materials.