

IRON ROAD CENTRAL EYRE IRON PROJECT EXCEEDS TWO BILLION TONNES

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 1.33Bt to 2.10Bt. The upgrade comes as part of an ongoing Mineral Resource expansion programme at the Murphy South deposit.

Highlights

- Iron Road delivers cumulative upgrade to South Australia's largest iron ore Mineral Resource, following drilling to expand the resource model for further mining study purposes.
- **Increase in the global Mineral Resources at Central Eyre Iron Project from 1.33Bt to 2.10Bt, with 1.11Bt in the indicated category.**
- Upgrade delivered as part of ongoing Mineral Resource expansion drilling at Murphy South.
- Stage VI expansion drilling adds 770Mt to the existing 1.01Bt Mineral Resource estimate (compiled in accordance with the JORC Code) report for Murphy South for a total of 1.78 billion tonnes, with corresponding significant increase in project value.
- Stage VI Mineral Resource estimate of 770Mt @ 16.1% iron compares favourably to the previously disclosed exploration target for the programme of 500-800Mt magnetite gneiss with a grade of 16-18% iron¹.
- Stage VII drilling programme at Rob Roy (Murphy South eastern extension) is currently in progress with an exploration target across the 11 traverses of 400-700Mt magnetite gneiss with an estimated grade of 16-18% iron¹.
- At the Hambidge prospect an exploration target of 800Mt-1,000Mt magnetite gneiss with a grade of 15-18% iron has been estimated¹.
- Focus is now on delivering the Definitive Feasibility Study currently underway and securing long term funding for the project.

CEIP Global Mineral Resource Estimate							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
	Inferred	668	16.4	52.7	12.8	0.08	1.3
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		2,104	16.2	52.9	12.7	0.08	1.0

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

¹ It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. 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 prospect.

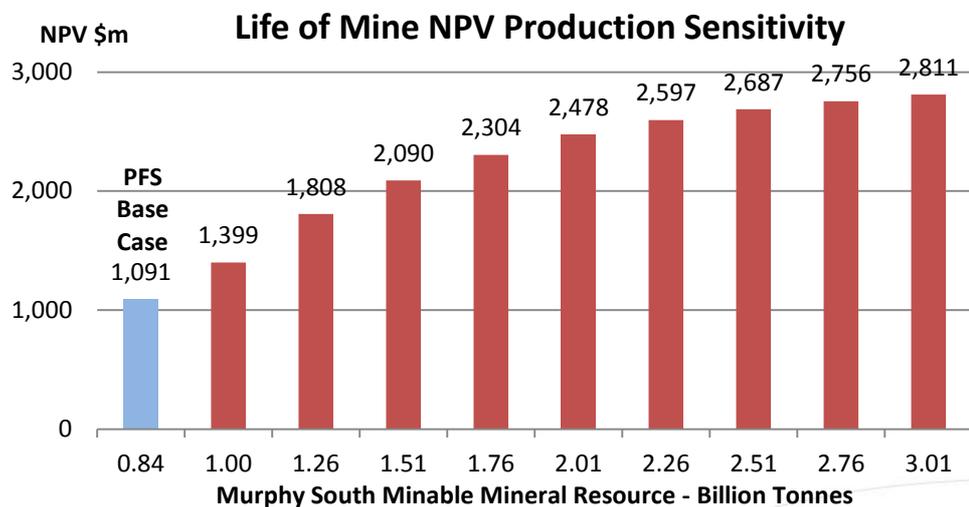
The Mineral Resource estimate was calculated by Coffey Mining and is summarised in the table below. Full details can be found in Attachment 2.

Murphy South Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	P (%)	LOI (%)
Inferred	Fresh	550	16.4	53.2	12.5	0.09	0.4
	Transitional	32	16.3	50.7	14.0	0.05	5.5
	Oxide	87	16.4	50.5	14.4	0.05	5.8
<i>Total Inferred</i>		668	16.4	52.7	12.8	0.08	1.3
Indicated	Fresh	1,108	16.0	53.2	12.9	0.08	0.4
<i>Total Indicated</i>		1,108	16.0	53.2	12.9	0.08	0.4
Total Murphy South		1,776	16.1	53.0	12.8	0.08	0.8

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 two billion tonnes in Mineral Resources at CEIP, 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.

The Mineral Resource upgrade at Murphy South significantly increases project value, as noted in the Prefeasibility Study completed in June 2011 and illustrated below.



Prefeasibility test work demonstrated that a high quality concentrate grading 67% iron may 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.

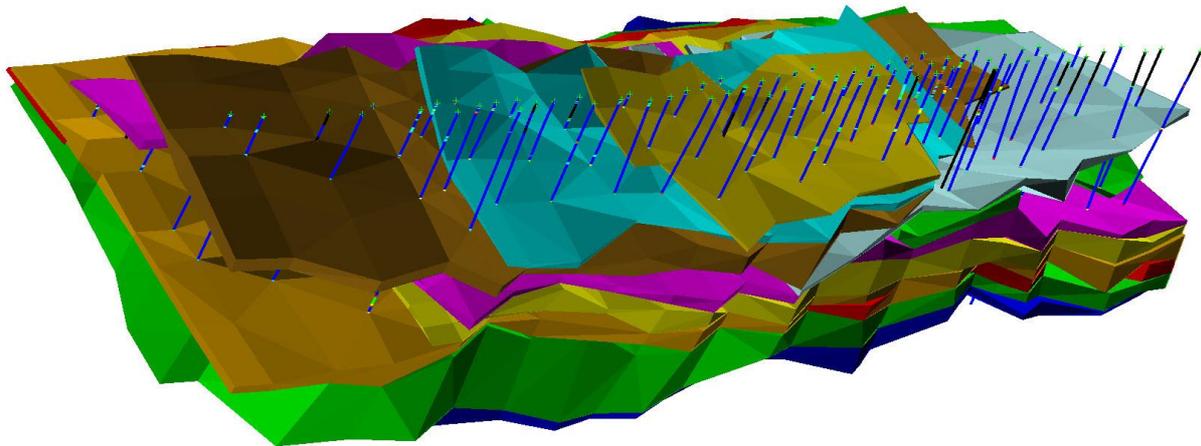


Figure 1 **Murphy South solids model viewed from the South West**

Iron Road Managing Director, Mr Andrew Stocks, said that the CEIP had now more than established the necessary size to underpin a large scale, long life project.

“The amount of iron resource at CEIP is now more than sufficient to underpin a long life project – having adequate resources is now a resolved challenge for the project,” said Mr Stocks.

“We will continue to add Resources from ongoing drilling programmes, but the key tasks ahead for the company are now delivering the Definitive Feasibility Study (DFS) currently underway, as well securing long term funding for the project,” said Mr Stocks.

-ENDS-

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Iron Road's principal project is the Central Eye Iron Project, South Australia (Figure 2). The wholly owned Central Eye Iron Project is a collection of three iron occurrences – Warrambo, Kopi & Hambidge (Figure 3).

The information in this report that relates to Exploration Results and exploration targets 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 2 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, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane 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 Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

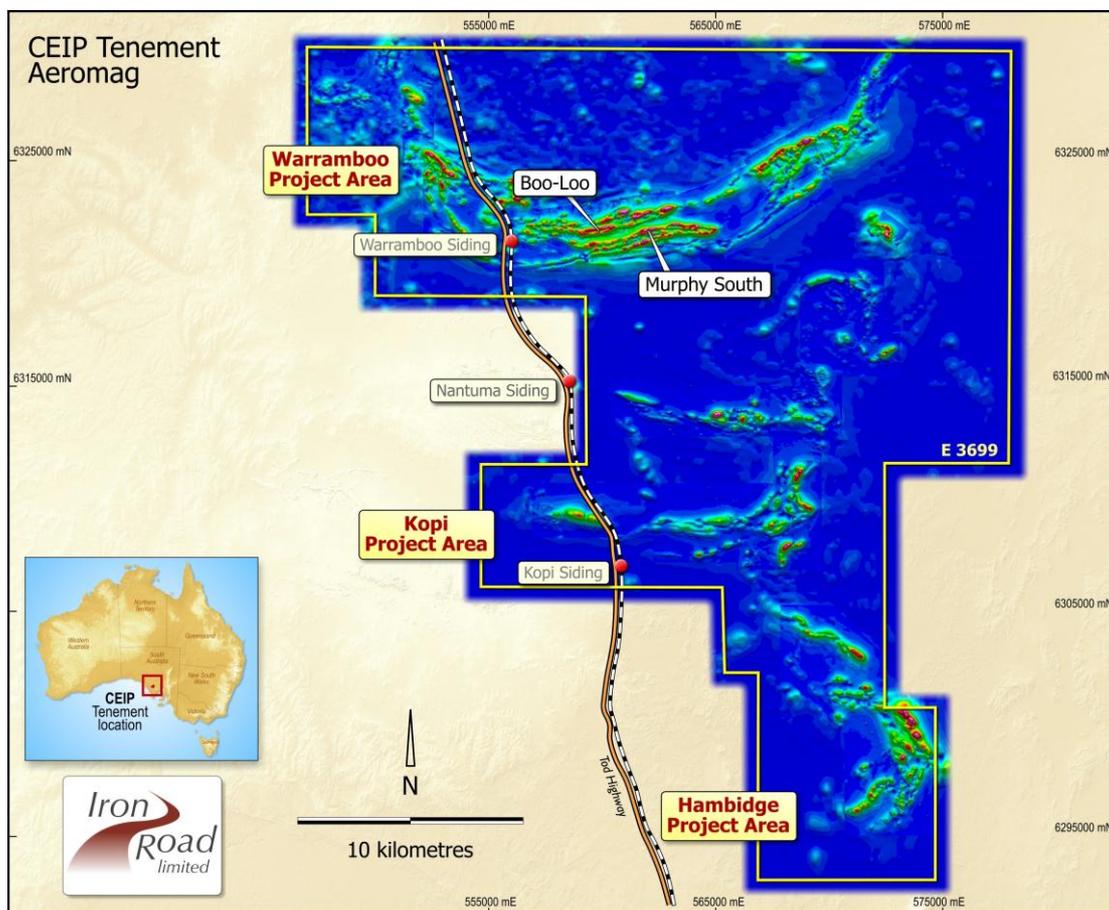


Figure 3 CEIP tenement and project locations

Attachment 1 – Mineral Resource Estimates

CEIP Global Mineral Resource Estimate							
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Murphy South	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
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Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		2,104	16.2	52.9	12.7	0.08	1.0

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

Murphy South Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	550	16.4	53.2	12.5	0.09	0.4
	Transitional	32	16.3	50.7	14.0	0.05	5.5
	Oxide	87	16.4	50.5	14.4	0.05	5.8
<i>Total Inferred</i>		668	16.6	52.7	12.8	0.08	1.3
Indicated	Fresh	1,108	16.0	53.2	12.9	0.08	0.4
<i>Total Indicated</i>		1,108	16.0	53.2	12.9	0.08	0.4
Total Murphy South		1,776	16.1	53.0	12.8	0.08	0.8

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

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: 9 December 2011
Company: Iron Road Ltd
Attention: Larry Ingle
Copy: Ingvar Kirchner
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 8 December 2011 is tabulated overleaf. The update incorporates sixty-four additional diamond holes drilled to the west of the area originally estimated, the resource statement for which was released on 28 June this year.

The information in the report which relates to the Mineral Resource is based on information compiled by Iain Macfarlane who is a Member of The Australasian Institute Geology. Iain Macfarlane is employed by Coffey Mining Ltd.

Iain Macfarlane has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person 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

Table 1
Iron Road Limited
Central Eyre Iron Project
Murphy South Magnetite Prospect
Mineral Resources
Grade Tonnage – 8th December 2011
Reported within Oxidation Horizons
Fresh (Magnetite), 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	Oxidation State	(Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	CaO%	K ₂ O%	MgO%	MnO%	S%	TiO ₂ %
Inferred	Fresh	549.6	16.4	53.3	12.5	0.087	0.37	1.36	3.01	2.48	1.42	0.02	0.57
	Transition	31.7	16.3	50.7	14.0	0.054	5.50	0.47	2.01	0.92	1.20	0.15	0.63
	Oxidised	86.6	16.4	50.5	14.4	0.053	5.83	0.46	1.72	0.77	1.09	0.13	0.65
Total Inferred		667.9	16.4	52.7	12.8	0.081	1.32	1.20	2.80	2.18	1.37	0.04	0.58
Indicated	Fresh	1,107.8	16.0	53.2	12.9	0.084	0.42	1.19	3.08	2.47	1.77	0.01	0.57
Total Indicated		1,107.8	16.0	53.2	12.9	0.084	0.42	1.19	3.08	2.47	1.77	0.01	0.57

Notes:

- There is drilling coverage for the whole rock grades (in total 11 grade items) on a 200m by 100m grid over the target area, 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 160 drillholes. Five of the drillholes were drilled in 2008 as part of an initial scout programme using reverse circulation (RC) methods. The remaining 155, collared by RC drilling followed by diamond tails, were drilled during 2010 and 2011. The most recent programme concluded in November (drillholes) and expanded the resource to the west.
- 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 40m (north-south) by 10m (vertical) blocks. The interpolation method used to obtain grade estimates was Ordinary Kriging (OK).
- Average in situ dry bulk densities were applied by zone (bulk density values ranged between 3.05 and 3.25t/m³ for the various fresh host rocks. 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 Davis Tube testwork (DTT). 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. Samples were taken from the unoxidised (fresh) portion of the drillholes. Samples were selected for DTT composites on the basis of geological logging of magnetite-rich horizons. This has resulted in some lower grade zones having restricted coverage. This is particularly the case for zones characterised as being Mn rich. In these zones, some DTT sample results have been lower than expected. At this stage, it is not known whether this is due to low metallurgical recovery or the Fe being non-magnetic (or a combination both). It is recommended that additional studies be carried out on these materials to determine the reason for this.
- 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.
- To compensate for the reduced density of DTT data, DTR was regressed with head grade Fe %. OK used to obtain estimates of DTR using the measured and regressed DTR values. As a consequence, the confidence level in the DTR and concentrate grade estimates is considered to be low.
- For other elements, mean values were derived from composite DTT data values to indicate the possible recovery and concentrate characteristics. They indicate that the DTR is likely to be in the order of 14.8% and the concentrate grade approximately 69.7% Fe, 1.4% SiO₂, 1.0% Al₂O₃, 0.002% P, -3.3% LOI, 0.04% CaO, 0.04% K₂O, 0.1% MgO, 0.7% MnO, 0.003% 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.