Quarterly Activities Report

for the period ended 31 March 2012

About Iron Road

Iron Road Limited was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio including a development stage project with excellent infrastructure, complemented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of iron concentrate for export. A definitive feasibility study is assessing production of 20-25Mtpa of iron concentrates.

Test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of -106µm grading 67% iron with low impurities.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

ASX Code – IRD

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Iron Road continued its high level of activities aimed at advancing the flagship Central Eyre Iron Project (CEIP), hosting South Australia's largest iron ore mineral resource. The Definitive Feasibility Study (DFS) continued with engineering design providers selected for the 'review' phase. A$11.5 million raised (before costs) to continue project development and commence the acquisition of key parcels of land.

Highlights

Central Eyre Iron Project

- Continuation of Definitive Feasibility Study (DFS) with award of 'Review Phase' engineering packages to three well regarded engineering service providers.
- The Stage VII diamond drilling programme at Rob Roy continued with an exploration target of 400-700Mt magnetite gneiss at an estimated 16-18% iron[1].
- Completion of three PQ size diamond holes at Murphy South and Rob Roy for metallurgical test work and ore characterisation.
- Community engagement continued, including several focus group sessions and a general community meeting at Lock.

Gawler Iron Project

- Completion of core logging and processing from the Stage II diamond drilling programme.

Corporate

- A$11.5 million before costs secured to continue project development and commence acquisition of key land.

Figure 1 **Stage VII diamond drilling at Rob Roy**

[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 prospects.*

Projects

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (663km^2) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warramboo, Kopi and Hambidge. The project is located in a grain farming area with good infrastructure. Work during the Quarter focused on the Murphy South and Rob Roy prospects.

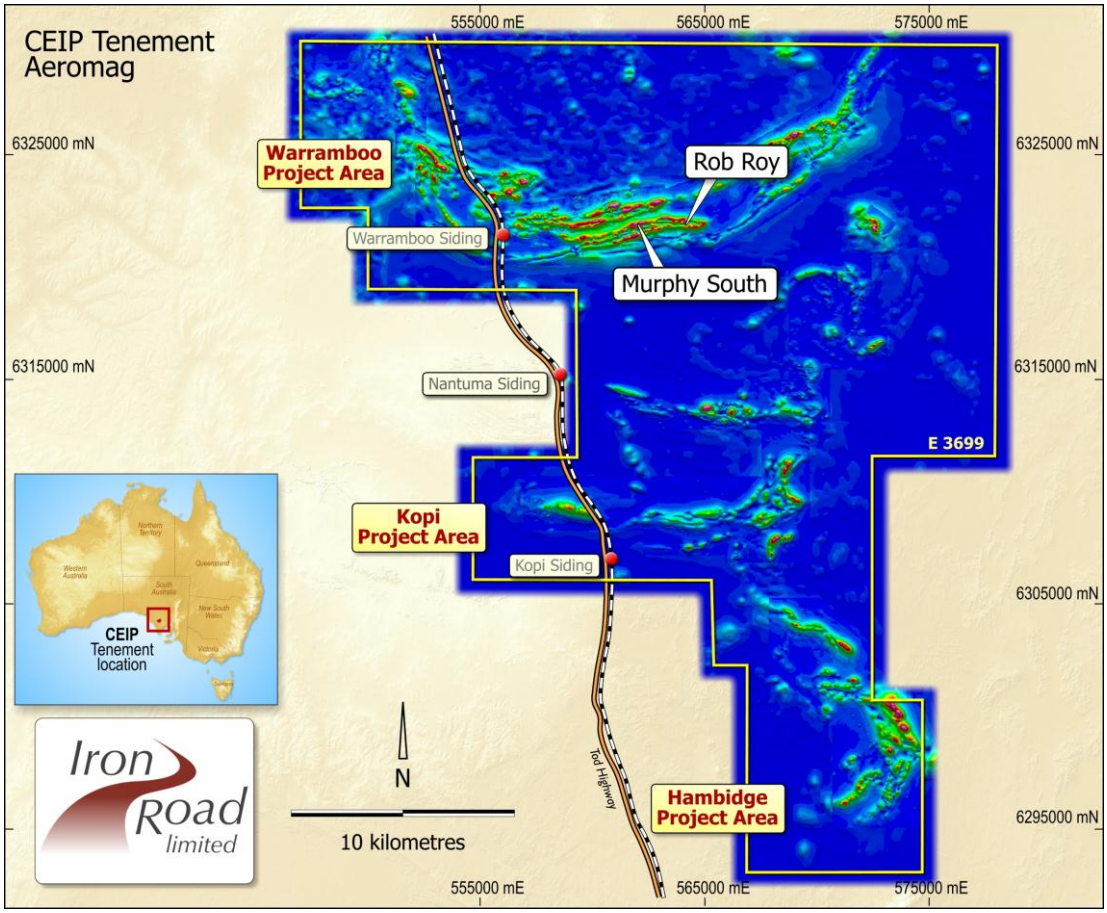


Figure 2 **CEIP – Murphy South and Rob Roy prospects indicated**

Definitive Feasibility Study (DFS) – Early Studies

Several packages of work related to government approvals and mine lease submission continued with various engineering service providers. Provision of utilities, comparison of camp options, study of airport upgrade and other project activities began during the Quarter.

Sinclair Knight Mertz (SKM) has identified the alignment for a utilities corridor, considered water supply options, reviewed motive power options for the rail system and advanced various mine related base-line surveys and environmental investigations.

Coffey Mining is progressing design of the tailing storage facility (TSF) and site geotechnical sampling, as well as Mineral Resource modelling. Further geotechnical testing for the TSF and mine design has recently commenced on Iron Road's lease near Warramboo.

Iron Road continues to work with ElectraNet for the transmission of power. A connection options report submitted by ElectraNet is currently under review and consideration of potential sources of power has commenced through contacts with major suppliers.

GHD has been awarded a study to compare locations for the construction camp and operations village. The study includes consideration of community benefits and concerns. Airborne LiDAR and photo mosaic flown over the mine site, infrastructure and transport corridors have facilitated planning and engineering studies. Sources of ballast for rail and aggregate for construction are being assessed at localities situated both near the mine and infrastructure corridors.

Definitive Feasibility Study (DFS) – Engineering Design

Engineering and design service (EDS) providers were awarded packages for the DFS 'Review Phase' during February 2012. A rigorous selection method allowed preferred EDS Providers to be selected for the three major DFS components:

- Coffey Mining – mine design and scheduling, geotechnical and pit design, mine hydro-geology, handling overburden and tailings;
- Bateman – for ore treatment facilities; and
- SKM – infrastructure comprising electricity distribution, rail systems, water supply, concentrate stockyards and marine facilities at potential port.

The EDS providers have formulated and submitted their plans (scope, schedule and budget) for the DFS 'Engineering' phase to be conducted through 2012.

Magnetite cores and chips were composited to provide a bulk CEIP sample, which was treated at AMDEL's laboratories in Perth to obtain additional metallurgical information and create a bulk concentrate sample for iron ore marketing purposes (Figure 3). The preliminary results of this investigation have confirmed that the relatively coarse grind size can deliver a concentrate grade at about 67% iron with low impurities through commercial process operations.

About 900kg of concentrate was obtained for use in sintering and handling test work. *The coarse concentrate size distribution is also expected to lower power demand in milling operations by approximately 10-15%, compared to PFS estimates.*

A comprehensive ore 'variability' program, to test the metallurgical response of ore zones which will occur during the early years of mining, is planned to commence in the current Quarter. Three 82mm diameter cores have been drilled and logged to deliver about six tonnes of mineralised rock across the available domains, including low-grade mineralisation. The results of this program will support estimation of ore reserves and confirm equipment selection in the ore treatment plant.

Figure 3 – Ball mill feed of bulk CEIP sample at AMDEL

Stage VII Resource Expansion Drilling – Rob Roy

The Stage VII drilling programme at Rob Roy (Murphy South eastern extension) continued with an exploration target of 400-700Mt magnetite gneiss with an estimated grade of 16-18% iron[2].

Drilling of this programme commenced following the completion of Stage VI Mineral Resource expansion and geotechnical drilling to the west of Murphy South (Figure 4). The Stage VII drilling programme comprises 82 diamond drill holes totalling over 34,000m. Individual diamond holes range from 100m-700m in depth with drilling on a standard 200mx100m grid. This drilling programme evaluates the eastern extension of the Murphy South orebody over an area approximately 800m wide by 2,000m long, utilising diamond drilling of NQ2 core.

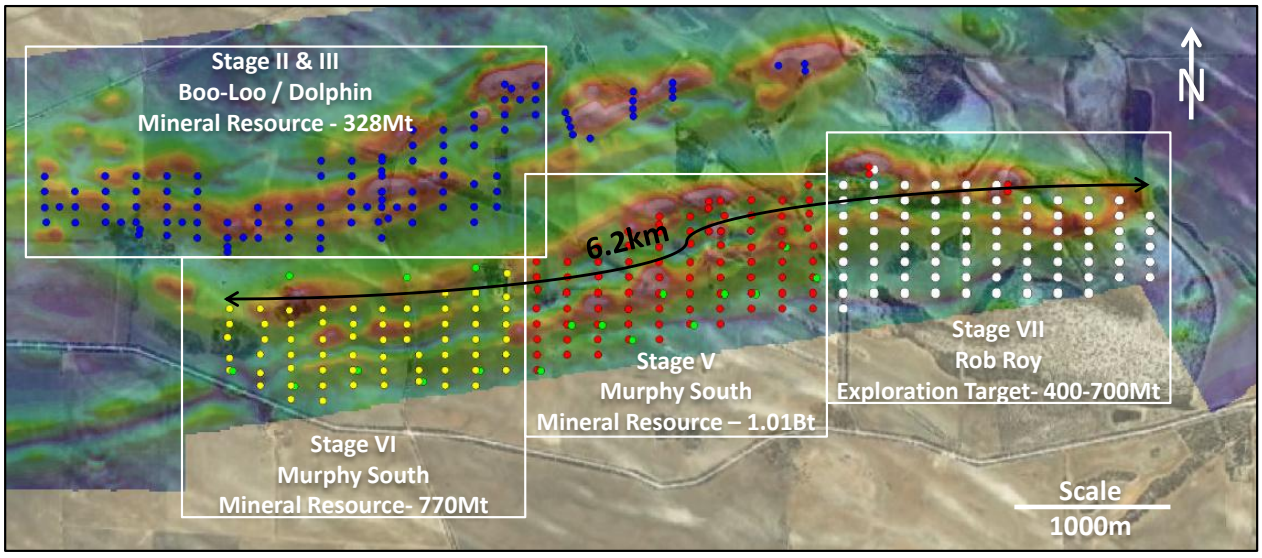
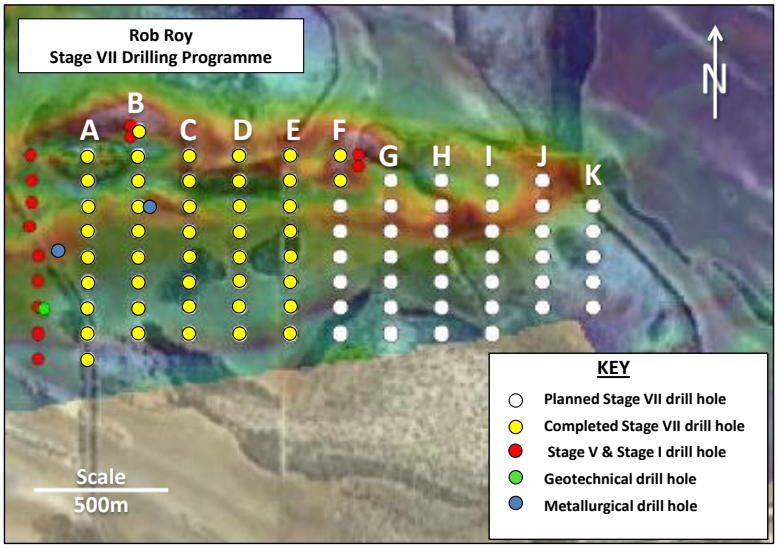


Figure 4 **Plan view of CEIP Boo-Loo, Murphy South and current Rob Roy Resource drilling programme**

Over 15,000m and 44 diamond drill holes of the current drilling programme have been completed and the same sequence of magnetite gneiss as exposed at Murphy South has been intersected (Figure 5).

Figure 5 – Plan view of CEIP Rob Roy Stage VII Resource drilling programme.



[2] *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 prospects.*

Cross-sections A, B, C, D and E are presented below and indicate continuation of the magnetite gneiss along strike and eastward from Murphy South with a significant shallowing of the dip of the sequence. This may allow for additional deep drill holes and an increase in the magnitude of the exploration target.

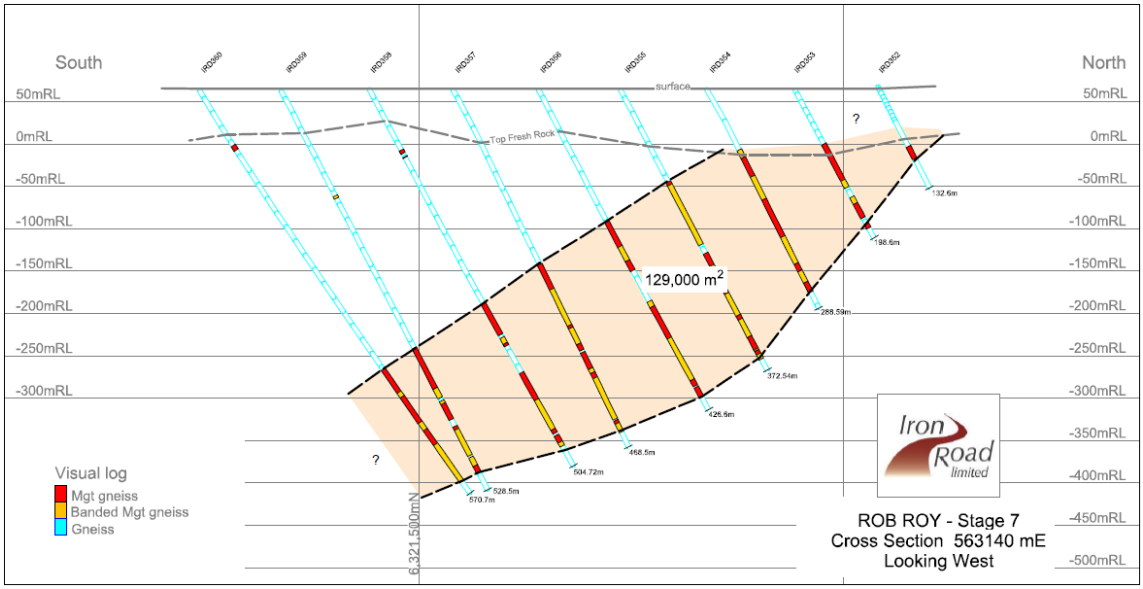


Figure 6 **(A) Section 563140mE**

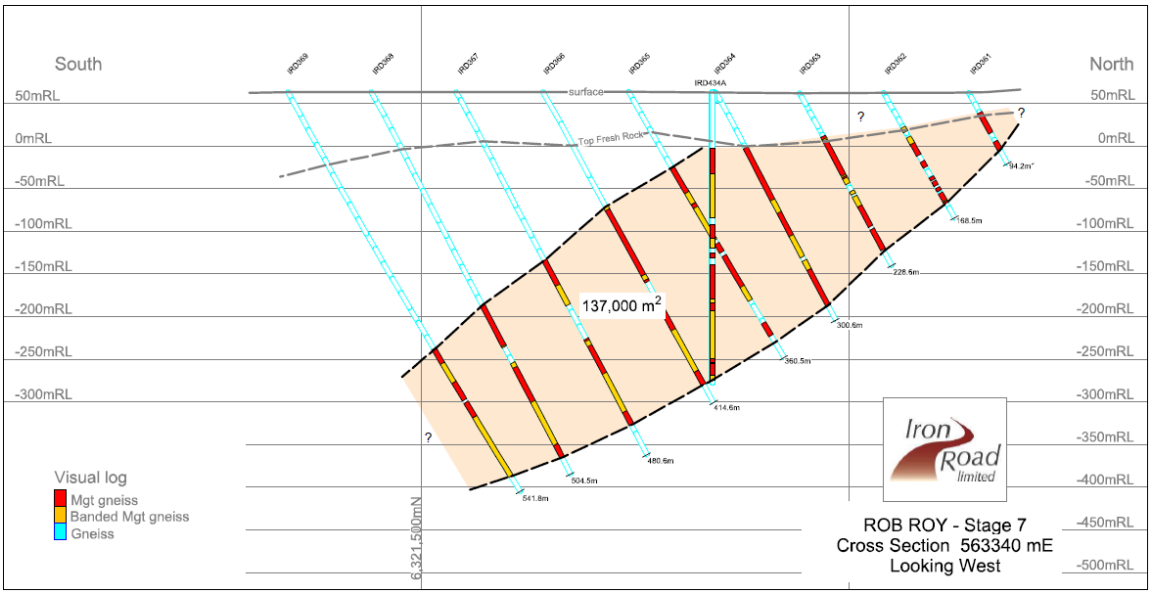


Figure 7 **(B) Section 563340mE**

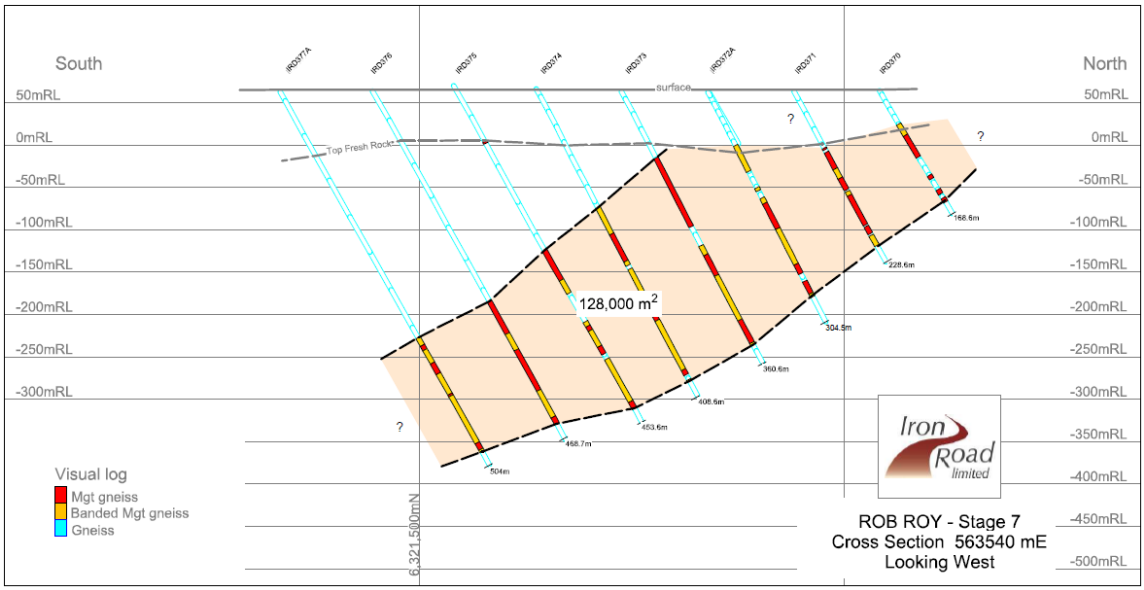


Figure 8 **(C) Section 563540mE**

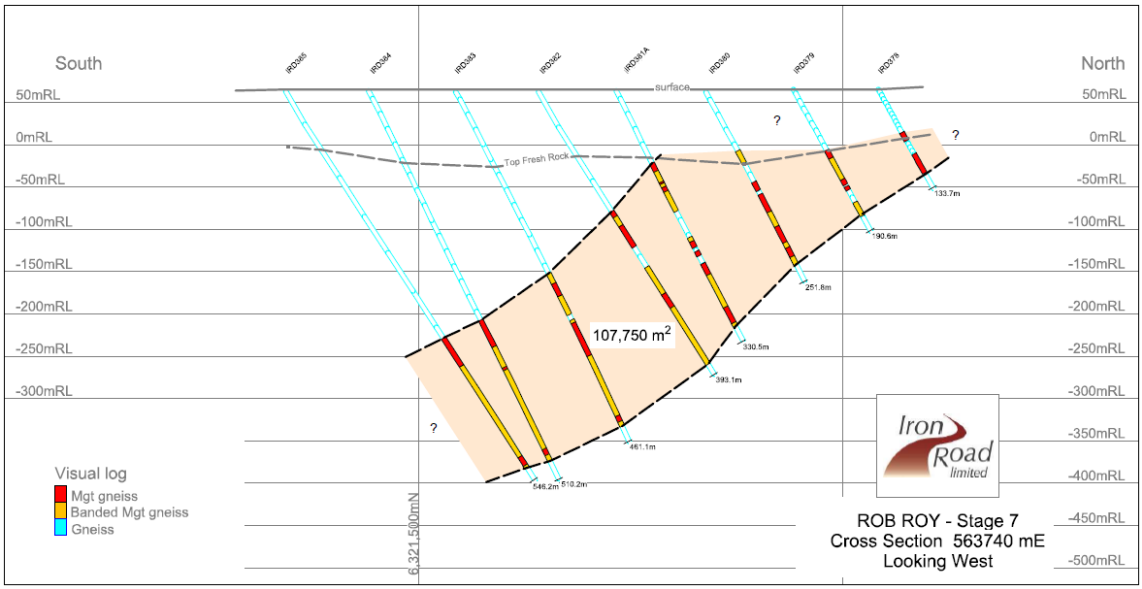


Figure 9 **(D) Section 563740mE**

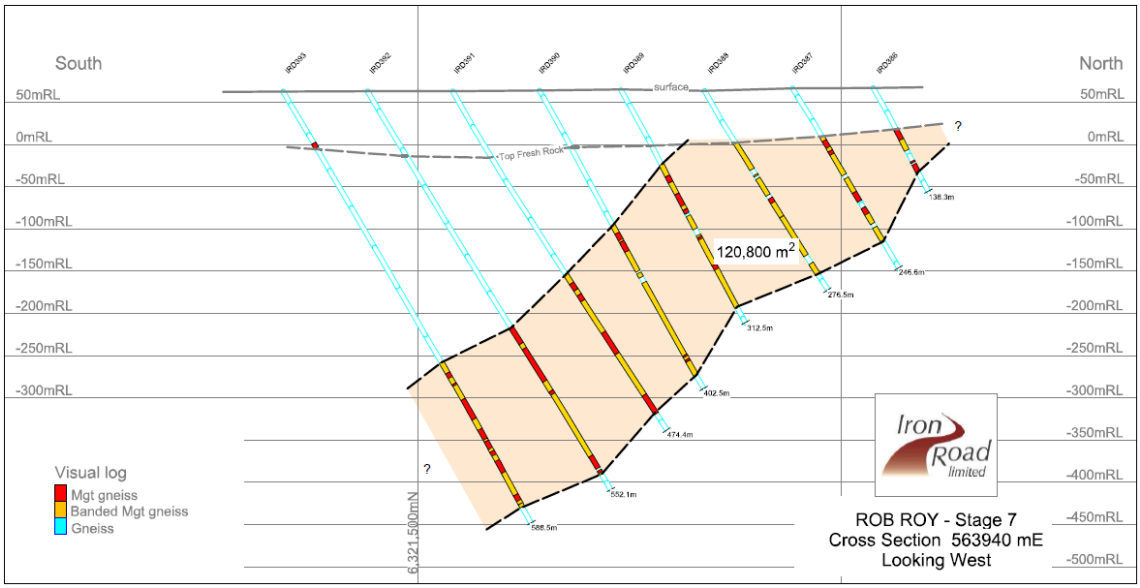


Figure 10 **(E) Section 563940mE**

Metallurgical Drilling

Three vertical PQ drill holes targeting mineralisation within unweathered magnetite gneiss were drilled for metallurgical test work and ore characterisation of the Murphy South / Rob Roy orebody. The holes totalled 1,111m. Processing of the PQ core as well as the down hole geophysical surveys is complete and the core has been despatched to metallurgy laboratories for test work.

Research Sponsorship

Iron Road has committed to a PhD project at the University of Adelaide, over three years. The project will be supervised by Prof Martin Hand and Dr Anthony Reid (Geological Survey of South Australia) and Assoc. Prof Karin Barovich. Funding will be met by a collaborative arrangement between the Geological Survey of South Australia, Iron Road and the University of Adelaide.

Data collected will be used to develop models for the tectonic evolution of the northern Eyre Peninsula, enabling the mineral prospectivity of this region to be placed into a broader geodynamic framework. The project will be allied closely with work underway within the Geological Survey of South Australia and with the exploratory and development work of Iron Road, with the aim to both understand and develop the mineral prospectivity of the broader Eyre Peninsula.

Community Engagement

Iron Road initiated a wider community and stakeholder engagement programme following the completion of the Prefeasibility Study in mid-2011. The engagement approach is based on Iron Road's commitment to communicate with and involve local communities. This is being accomplished through:

- Sharing information;
- Providing opportunities for people to have a say; and
- Being involved in local communities.

Nominations for focus groups were called during December 2011 to address key benefits and challenges and several groups were established in February 2012. The first round of focus groups included:

- Economic Impacts and Business;
- Environment;
- Transport & Access; and
- Social Impact.

A second round of meetings was held during April 2012 that included the addition of two more groups:

- Housing & Accommodation; and
- Education & Training.

Feedback from the focus groups has been constructive and several concepts are being taken into account during engineering studies and planning.

Iron Road through its membership of the Eyre Peninsula Mining Alliance (EPMA) took part in the Eyre Peninsula Mining Careers Expo. The Expo was attended by approximately 600 secondary school students and 300 adults.

Figure 11 Iron Road is a major sponsor of the annual 20/20 cricket exhibition match

South Australia – Gawler Iron Project

The Gawler Iron Project is located 25km north of the Trans Australian Railway and within 100km of the Central Australia Railway in South Australia. Iron Road has a farm-in agreement with tenement holder Dominion Gold Operations (a subsidiary of Kingsgate Consolidated Limited) to progressively earn up to 90% interest in the iron ore rights.

The Stage II exploration and evaluation programme continued with over 1,400m of drill core transported to Warramboo facilities for processing. Sampling of the mineralised intervals for assay is complete and 21 samples have been selected for mineralogical studies.

Western Australia – Windarling

The Windarling Peak Project is located approximately 85km north of Koolyanobbing, Western Australia. The tenure consists of three granted exploration licenses and four prospecting licences. The Company entered into an agreement with Convergent Minerals Limited (Convergent) during September 2010 whereby Convergent may earn up to a 75% interest in the project by meeting certain expenditure and management criteria.

A new Convergent Minerals management team is reviewing previously compiled data of individual projects with a view to establishing a field work schedule for 2012. Due to the corporate changes at the Company no field work was undertaken on the Windarling project during the Quarter.

CORPORATE

Capital Raising

The Company secured $11.5 million (before costs) in additional funds during April 2012 to continue with the CEIP definitive feasibility study (DFS) and to option or purchase key land on the Eyre Peninsula of South Australia.

The funds have been raised via a placement and will be used to continue funding of the CEIP Definitive Feasibility Study, acquisition of land and for general working capital. 21,027,036 shares will be issued at a price of $0.55, under Iron Road's 15% placement capacity. Further shareholder approval will not be required.

The raising was strongly supported by long term Iron Road institutional investors including specialist resources investor The Sentient Group and endowment funds associated with Columbia and Duke Universities. The Sentient Group will subscribe to the placement in two tranches (T1=4.9M shares, T2=5.2M shares), the second tranche being on or about the 16 May 2012. On completion of this placement, The Sentient Group and Columbia University will increase their holdings to 34.3% and 7.2% of the Company respectively.

General

Iron Road's office is now established in the Adelaide CBD. Engineering and design service providers will work together with Iron Road's 'Owners' DFS team in these premises. Project controls have been established and recruitment of key staff for the DFS team is complete and interviews of suitable candidates for the implementation and construction phase has commenced.

ADDITIONAL INFORMATION - *Glossary*

Glossary

DTR – Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist mineral body assessment for magnetite, hematite or combinations thereof.

XRF – X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).

Hematite – Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe_2O_3), one of several iron oxides.

Magnetite – Magnetite is a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula Fe_3O_4 and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

Aeromag survey – Short for aeromagnetic survey, an aeromag survey is a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

Gravity survey – A geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

LiDAR – Light Detection and Ranging. LiDAR is an active remote sensing system that uses a laser light beam to measure vertical distance from the features of interest.

Martite – The name given for Hematite pseudomorphs after Magnetite. More simply put primary magnetite that has been totally replaced by secondary hematite through oxidation.

Specularite – A black or gray variety of hematite with brilliant metallic luster, occurring in micaceous / foliated masses or in tabular or disk-like crystals. Also known as specular iron.

HBF – Horizontal Belt Filters are commonly used vacuum filters due to their flexibility of operation and suitability to handle large throughputs.

CEIP JORC Global Mineral Resource							
Location	**Classification**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_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.

Competent Person's Statement

The information in this report that relates to Exploration Results and the exploration target 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 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.

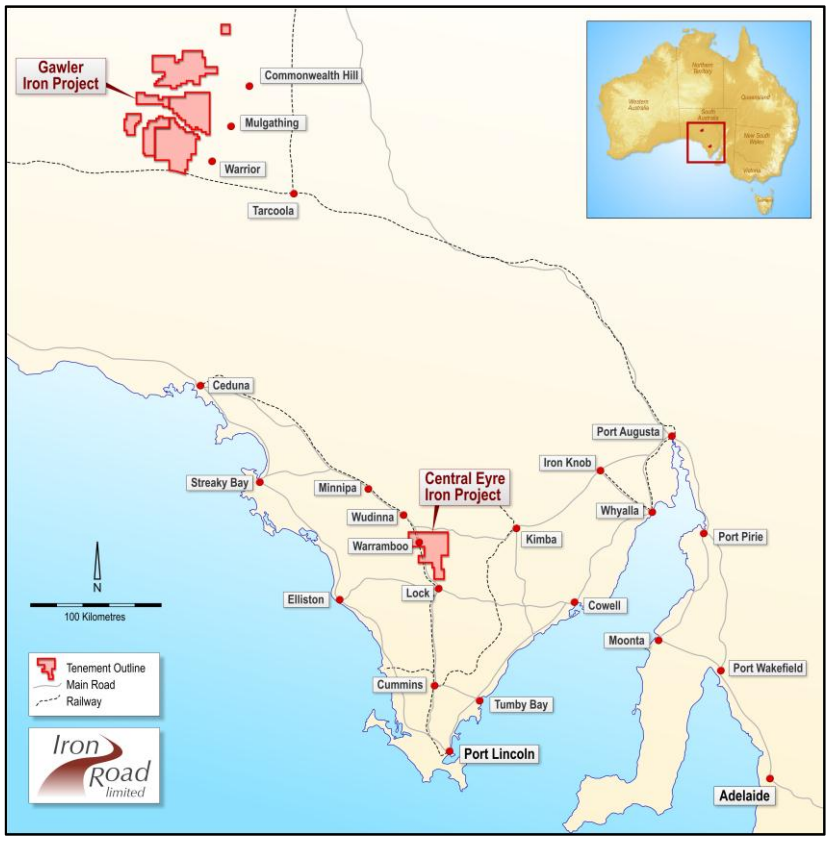


Figure 12 **Location of iron Road's South Australian projects**

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.

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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

IRON ROAD LIMITED

ABN	Quarter ended ("current quarter")
51 128 698 108	31 March 2012

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	1
1.2	Payments for (a) exploration & evaluation	(6,291)	(17,494)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(440)	(1,376)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	169	364
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid		
1.7	Other (provide details if material)	160	(159)
	Net Operating Cash Flows	(6,402)	(18,664)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(239)	(708)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(239)	(708)
1.13	Total operating and investing cash flows (carried forward)	(6,641)	(19,372)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(6,641)	(19,372)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	22,274
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	2	(422)
	Net financing cash flows	2	21,852
	Net increase (decrease) in cash held	(6,639)	2,480
1.20	Cash at beginning of quarter/year to date	9,244	125
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,605	2,605

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	135
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	6,960
4.2	Development	-
4.3	Production	-
4.4	Administration	620
	Total	7,580

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,347	2,962
5.2	Deposits at call	258	6,282
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,605	9,244

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	140,180,238	140,180,238		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	7,125,000 7,500,000 2,000,000 3,000,000 625,000 625,000 625,000 625,000 500,000 100,000 100,000 100,000		*Exercise price* $0.20 $0.35 $0.20 $0.35 $0.20 $0.25 $0.30 $0.35 $1.00 $1.00 $1.25 $1.50	*Expiry date* 22/1/13 22/1/13 10/3/13 6/8/13 15/12/14 15/12/14 15/12/14 15/12/14 25/07/16 24/08/16 24/08/16 24/08/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

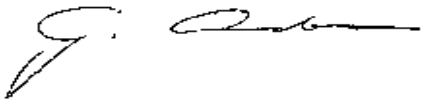
+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /does not* (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 16 April 2012
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS ANDERSON

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.