

Iron Road Increases Gawler Iron Project Stake

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce the Company has moved to secure 90% ownership of the highly promising Gawler Iron Project (Gawler) in South Australia.

Highlights

- Iron Road secures 90% of the iron rights of Kingsgate Consolidated Ltd (Dominion Gold Operations Pty Ltd) tenements at Gawler with final cash payment of \$1.15M.
- Gawler shows excellent promise for potential development of several hematite and coarse-grained magnetite deposits via relatively simple beneficiation.
- The results of an initial metallurgical study suggest excellent beneficiation characteristics of the magnetite. Average iron content of magnetite concentrates from test work is in the range 69-70% Fe with 1.1-2.0% SiO₂, 0.6-1.4% Al₂O₃ and 0.00% P at a P100 of -75µm (ASX announcement dated 7 September 2010).
- The Boomer deposit¹ has an exploration target of 55-95Mt magnetite gneiss with a mass recovery of 25-30% iron optimised to produce a coarse concentrate of 67-71% iron with low impurities (p80 of -106 µm).
- All deposits geographically well-located and tenement package abuts the standard gauge Trans-Australian Railway.
- Assays from the recent Stage II diamond drilling programme are imminent. Future work involves detailed metallurgical processing studies from samples recovered the Stage II drilling programme.

Iron Road has chosen to acquire 90% of the iron rights at Gawler after confirming through initial exploration and metallurgical test work that the project hosts excellent promise for a small to medium scale iron ore development, potentially producing a high grade iron product through simple beneficiation.

The project area adjacent to the Trans-Australian railway and potential future development scenarios include simple beneficiation of ore for sale to third parties. Project fundamentals such as potential resource base, beneficiation characteristics and possible export routes compare favourably with other South Australian projects now under development.

Preliminary test work indicates that a simple, possibly dry process may produce a very high grade product (~70% iron, 1.4% silica, 1.0% alumina) at a grind of -106 micron (p80). Further work will determine the ideal beneficiation process and product specifications.

¹ It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

The Boomer deposit² has an exploration target of 55-95Mt magnetite gneiss with a mass recovery of 25-30%. Grinding was optimised at a grind size of -106µm (p80) to produce a coarse concentrate of 67-71% iron with low impurities with an iron recovery of 75-95%. Notable intersections at Boomer include 17m @ 40.6 % Fe, 20m @ 39.0 % Fe, 42m @ 40.8 % Fe and 31m @ 42.6 % Fe.

Iron Road Managing Director, Mr Andrew Stocks, said that moving to 90 per cent of the iron rights at Gawler represented a very cost attractive investment in future secondary production for Iron Road.

“Moving ahead with Gawler compliments our plans to build a large scale iron business in South Australia and will potentially provide us with additional future sources of production,” said Mr Stocks.

“The potential of the area is also strongly evidenced by increasing activity in the region, most notably by Fortescue Metals Group (FMG) and Western Plains,” said Mr Stocks.

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For further information, please contact:

Andrew Stocks
Managing Director
Iron Road Limited
Tel: +61 8 9200 6020
Mob: +61 (0)403 226 748
Email: astocks@ironroadlimited.com.au

Shane Murphy
FTI Consulting
Tel: +61 8 9386 1233
Mob: +61 (0)420 945 291
Email: shane.murphy@fticonsulting.com

Or visit www.ironroadlimited.com.au

Iron Road has a strong project portfolio including a development stage project with excellent infrastructure, complemented by earlier 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 20Mtpa of iron concentrates.

The Gawler Iron Project is located approximately 25km north of the standard gauge Trans Australian Railway that connects to the Central Australia Railway at Tarcoola and ultimately a number of ports. Iron Road has earned a 90% interest in the iron ore rights through a farm-in agreement with tenement holder Kingsgate Consolidated Ltd (Dominion Gold Operations Pty Ltd).

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



Figure 1 - South Australia project location map

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