

DIAMOND DRILLING UPDATE AT CENTRAL EYRE IRON PROJECT

Iron Road Announces Exploration Target Increase for Rob Roy Prospect

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce an increase in the exploration target for the Rob Roy Prospect, following the completion of the first phase of the Stage VII Mineral Resource expansion drilling programme at the Central Eyre Iron Project (CEIP). A follow-up extension drilling programme is currently underway.

Highlights

- Completion of 46 drill holes for 16,008m of Stage VII 'Rob Roy' diamond drilling programme at CEIP.
- Programme extended by 19 holes to target down dip extension of mineralisation at depth.
- Submission to DMITRE (South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy) for approval of second phase Stage VII 'Rob Roy' diamond drilling programme at CEIP of 53 drill holes for 27,975m.
- Increase in exploration target for Stage VII 'Rob Roy' drilling programme from 400-700Mt to 700-900Mt magnetite gneiss with a grade of 16-18% iron estimated¹.
- On target to significantly increase existing global Mineral Resources at CEIP from the current 2.10Bt.
- Coffey Mining has previously established an exploration target of 2.80 to 5.70Bt of magnetite gneiss with a grade of 18-25% iron at the project¹.



Figure 1

Stage VII diamond drilling at the Rob Roy prospect

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, Dolphin and Murphy South prospect.

Stage VII Drilling Programme

The Stage VII drilling programme commenced during November 2011 following the completion of Stage VI resource expansion drilling on the western portion of Murphy South (Figure 2).

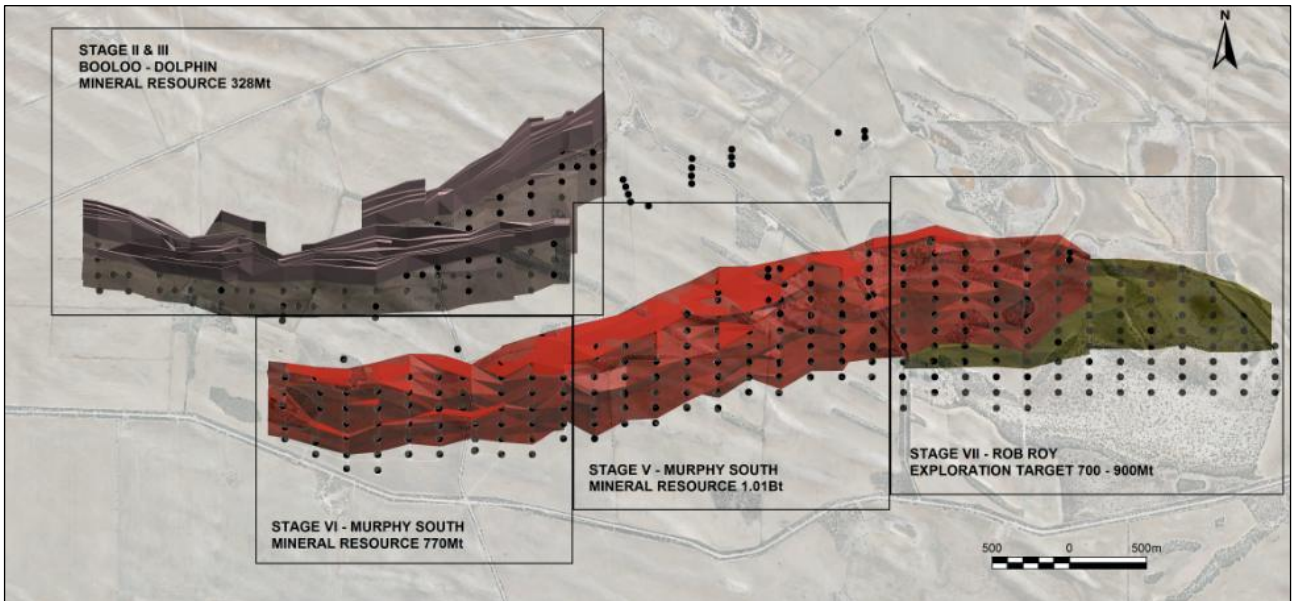


Figure 2 Orebody solids model of Boo-Loo, Dolphin, Murphy South and Rob Roy showing Stage III, IV, V, VI & VII diamond drilling programmes.

The Stage VII drilling at Rob Roy targets the eastern extension of Murphy South and consists of 118 holes for 54,293 metres of drilling, with 46 holes complete. This programme was extended by 19 holes (10,310 metres) to intersect the down dip extension of the Rob Roy orebody at depth. A portion of the programme consisting of 53 holes is under application with DMITRE. (Figure 3).

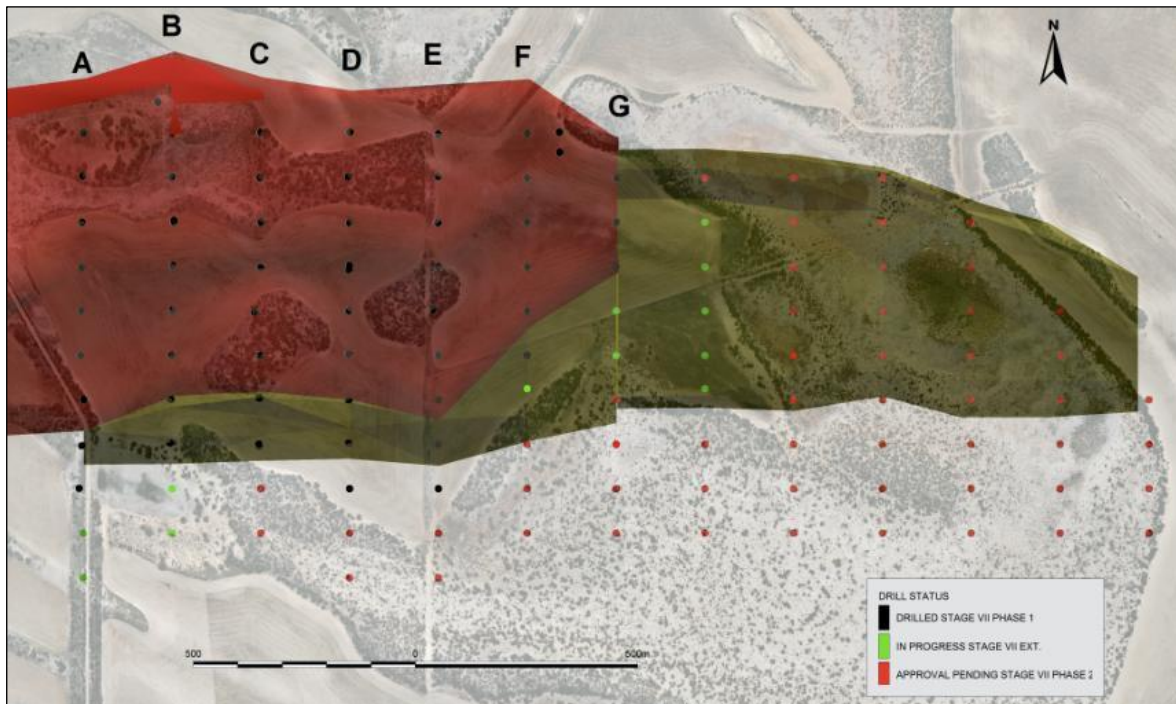


Figure 3 Rob Roy prospect showing actual (red) and projected (green) orebody solids model and collars for Stage VII Phase 1, 2 & Extension diamond drilling programmes. Traverses A-G are shown in figures 4-10 below.

Individual diamond holes range from 100m-700m in depth with drilling on a standard 200m x 100m pattern. The drilling programme evaluates the eastern extension of the Murphy South orebody over an area approximately 1000m wide x 2,400m long, utilising diamond drilling of NQ2 core.

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 20Mtpa high grade iron concentrate export operation and the development of associated export infrastructure.

Stage VII Exploration Target

The completion of several Stage VII drill holes has allowed for a re-estimation of the exploration target at the Rob Roy prospect. As a consequence this has increased, with a high level of confidence, from 400-700Mt to 700-900Mt magnetite gneiss with an estimated grade of 16-18% iron¹.

Sections A to G (Figure 3) are shown below.

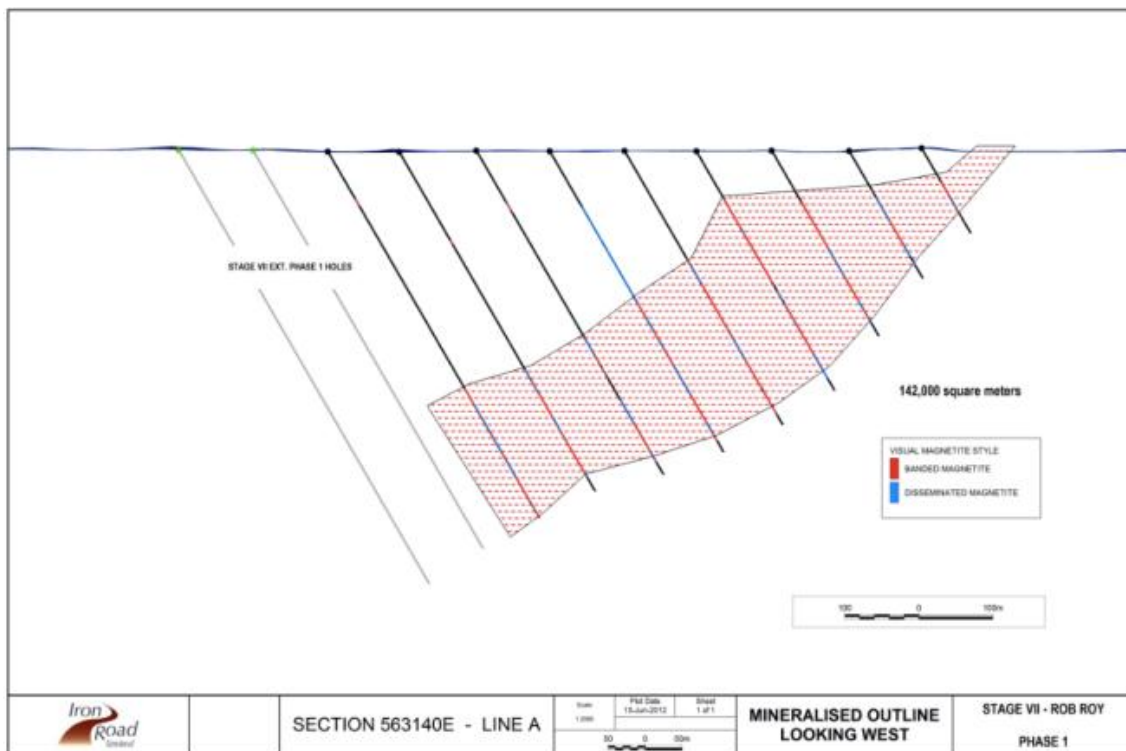


Figure 4

(A) Section 563140E

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, Dolphin and Murphy South prospect.

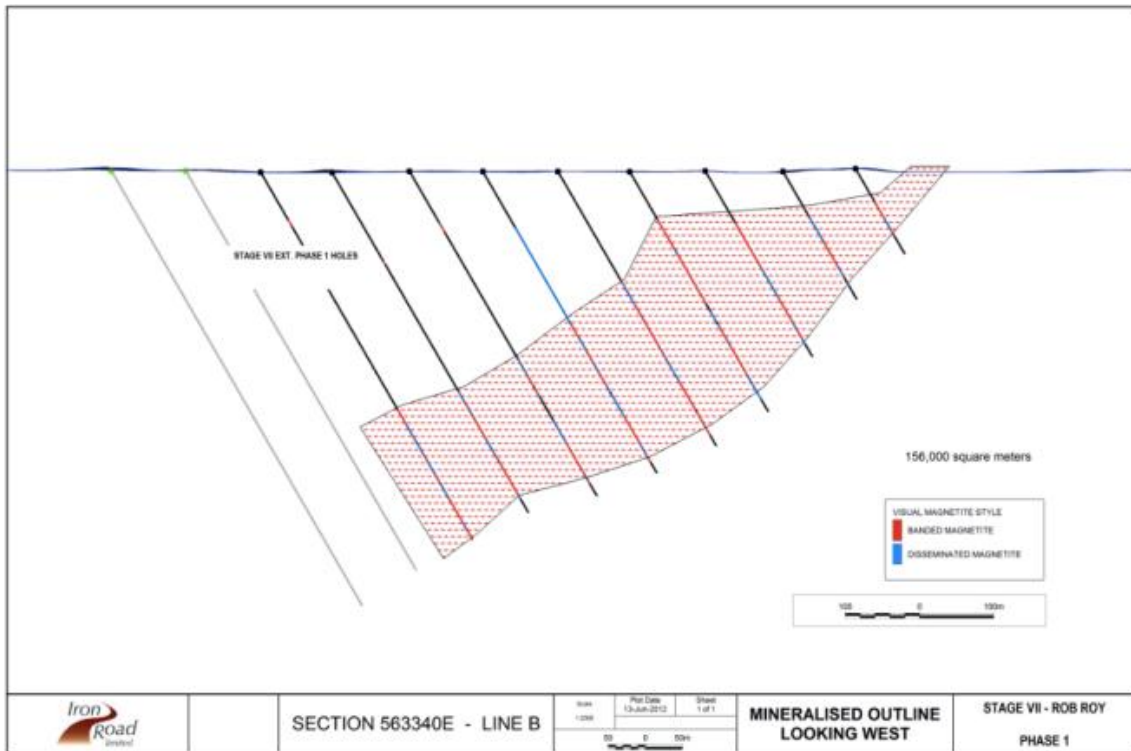


Figure 5

(B) Section 563340E

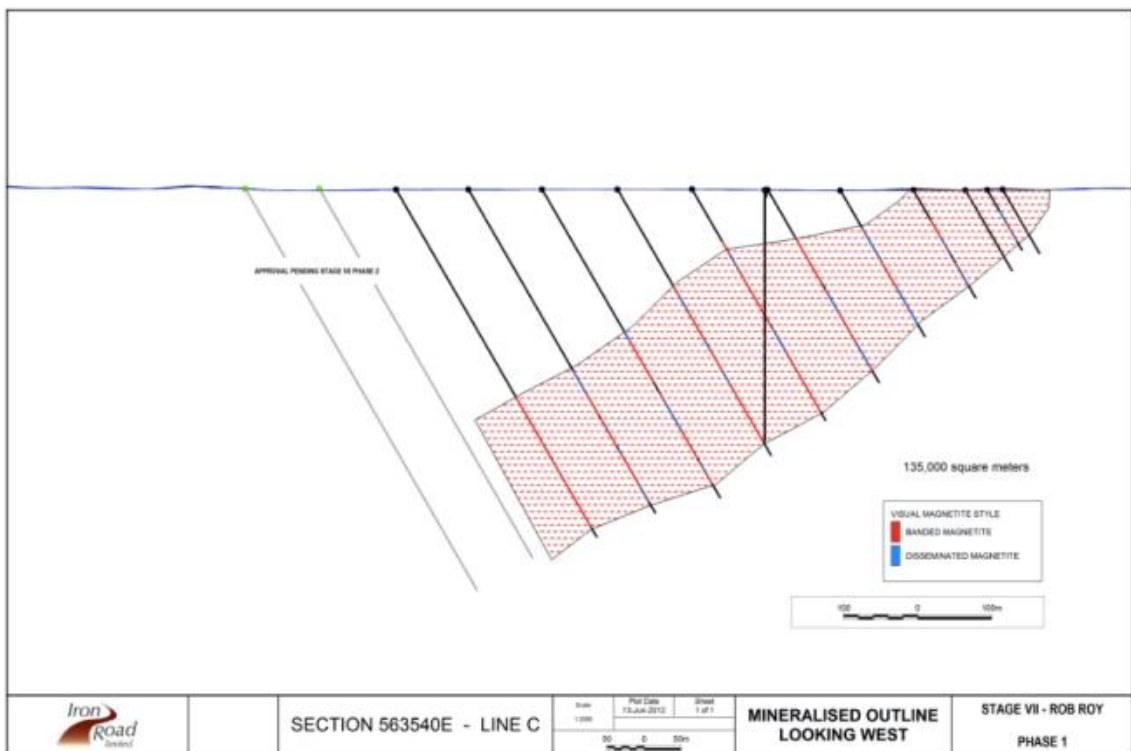


Figure 6

(C) Section 563540E

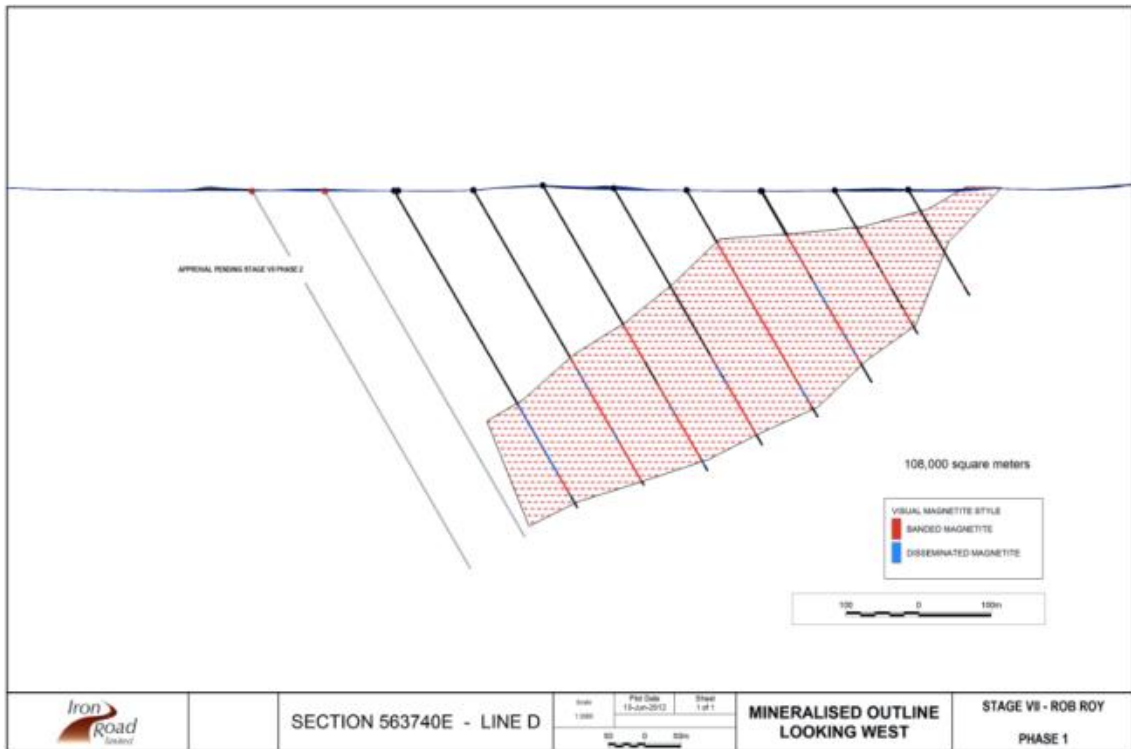


Figure 7

(D) Section 563740E

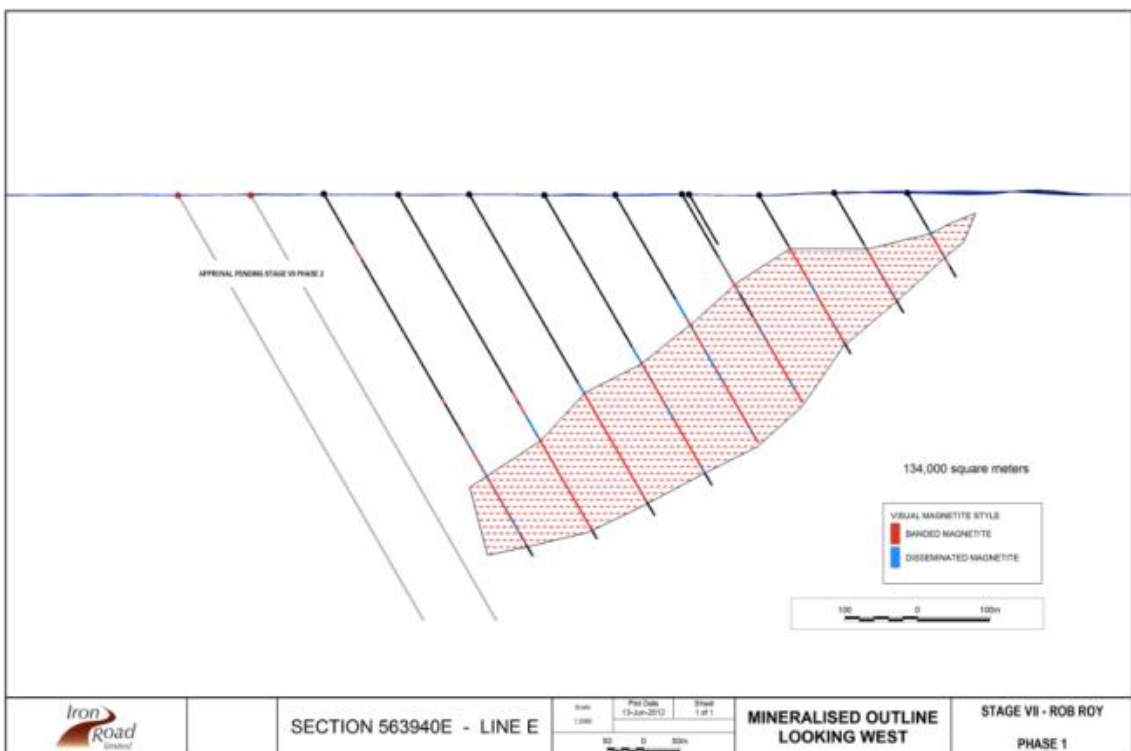


Figure 8

(E) Section 563940E

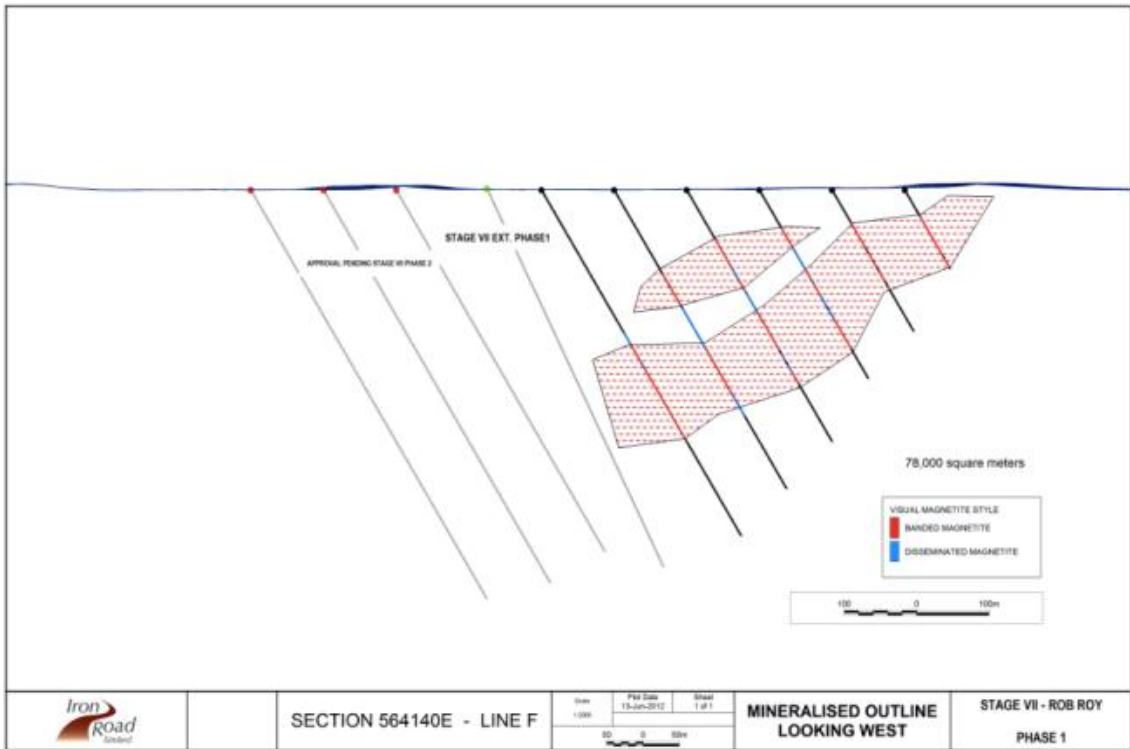


Figure 9

(F) Section 564140E

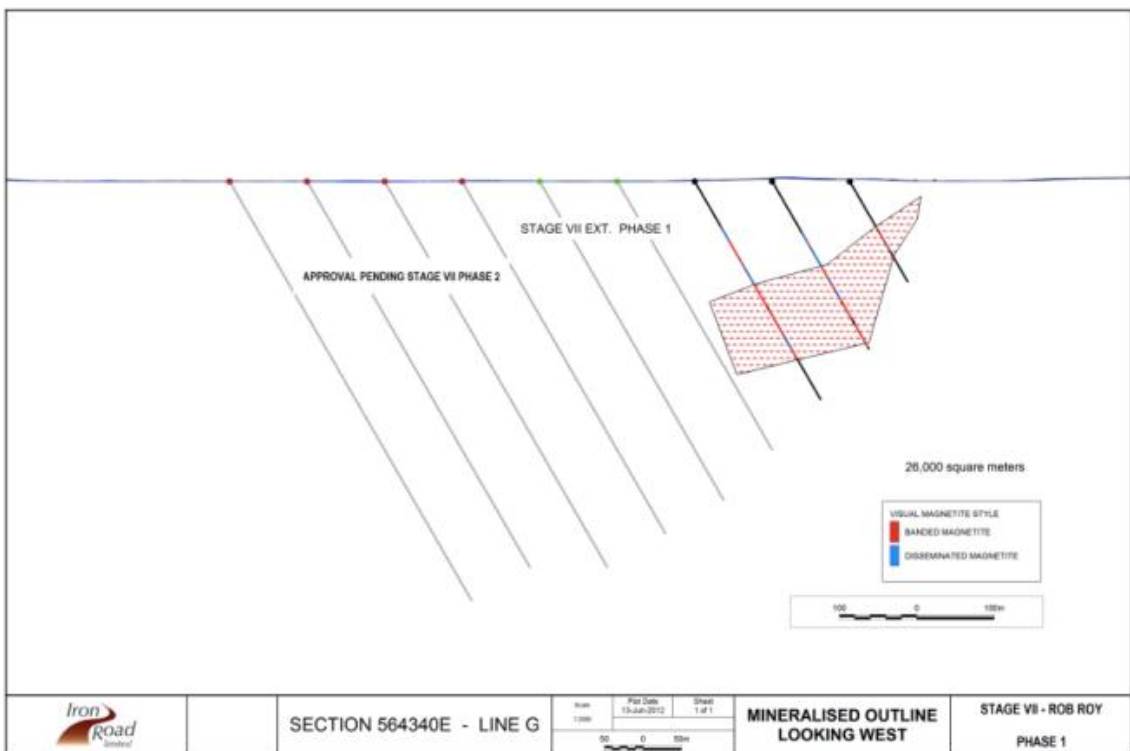


Figure 10

(G) Section 564340E

-ENDS-

For further information, please contact:

Andrew Stocks

Shane Murphy

Managing Director

Iron Road Limited

Tel: +61 8 9200 6020

Mob: +61 (0)403 226 748

Email: astocks@ironroadlimited.com.au

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's principal project is the Central Eyre Iron Project, South Australia. The wholly owned Central Eyre Iron Project is a collection of three iron occurrences (Warrambo, Kopi & Hambidge) with an exploration potential of 2.8-5.7 billion tonnes of magnetite gneiss at a grade of 18-25 % iron*.

* Coffey Mining (Iron Road Limited ASX announcement 01 September 2009).

* 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, Dolphin and Murphy South prospect.



The information in this report that relates to Exploration Results and exploration targets at Murphy South and Rob Roy 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.

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.

Attachment 1– Mineral Resource Estimates (Stage II, III, V & VI Drilling Programmes)

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.

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 Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

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