

ASX Announcement

2 August 2012

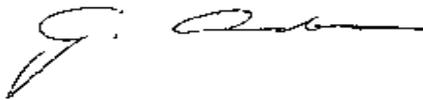
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Iron Road Limited Entitlement Offer - Notice to option holders

Pursuant to the Entitlement Offer announced today, please find attached a letter despatched to Iron Road Limited option holders today.

Yours sincerely,
IRON ROAD LIMITED



Graham Anderson
Company Secretary



2 August 2012

[Name]
[Address]

Dear Sir/Madam

Iron Road Limited Entitlement Offer - Notice to option holders

On 2 August 2012, Iron Road Limited (**Iron Road**) announced a fully underwritten 31 for 40 accelerated non-renounceable entitlement offer of fully paid ordinary shares in Iron Road (**New Shares**) at an offer price of \$0.32 per New Share (**Offer Price**) to raise approximately \$40 million (**Entitlement Offer**). The Entitlement Offer comprises an institutional component and an offer to eligible retail shareholders (**Retail Entitlement Offer**) at the same Offer Price and offer ratio.

The Entitlement Offer is fully underwritten by CIBC Australia Ltd (**Underwriter**) and the Retail Entitlement Offer will be fully sub-underwritten by the Sentient Group, Iron Road's largest shareholder. There will also be a shortfall facility under which eligible shareholders may subscribe for additional New Shares if they wish to do so, subject to compliance with the ASX Listing Rules and the *Corporations Act* 2001 (Cth) (**Corporations Act**).

The proceeds of the Entitlement Offer will be used to fund Iron Road's ongoing work program for the definitive feasibility study on the Central Eyre Iron Project (the **CEIP**), land acquisitions associated with the CEIP and completion of a scoping study on the Gawler Iron Project.

1 Purpose of this letter

The purpose of this letter is to notify you of Iron Road's intention to undertake the Entitlement Offer, so that you have adequate opportunity to exercise some, or all, of your Iron Road options prior to the Record date if you wish to be eligible to participate in the Retail Entitlement Offer.



The Retail Entitlement Offer will be available to Iron Road shareholders on its share register as at 7pm (AEST) Monday 13 August 2012 (**Record Date**). Your holding of options in Iron Road does not entitle you to participate in the Entitlement Offer unless you exercise your options, and are entered into the register as a shareholder (and have a registered address in Australia, New Zealand or any other jurisdiction that Iron Road has determined is eligible to participate in the Entitlement Offer), on or before 7pm (AEST) on the Record Date.

If you wish to participate in the Retail Entitlement Offer, your options must be currently exercisable and you will need to exercise those options, and pay the exercise price (if applicable) in accordance with the terms of any option agreement so that you are issued Iron Road shares in respect of those options and are registered as a shareholder in respect of such shares prior to the Record Date.

We note that if, in addition to your Iron Road options, you currently also hold Iron Road shares, you will be able to participate in the Retail Entitlement Offer, but only in respect of the Iron Road shares that you currently hold.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action.

2 Details of the Entitlement Offer

Following completion of the Entitlement Offer, Iron Road will have issued approximately 124.9 million New Shares resulting in a total of approximately 286.1 million Iron Road shares on issue.

The New Shares will rank equally with all other fully paid ordinary shares of Iron Road including in respect of dividends, from the date of allotment.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements in full will not receive any value in respect of those entitlements and their percentage shareholding in Iron Road will be reduced following the issue of all New Shares under the Entitlement Offer. Any fractional entitlements will be rounded up to the nearest whole number of New Shares.

3 Proposed timetable

The following are key dates relating to the Entitlement Offer that you need to be aware of:

Announcement of the Entitlement Offer and commitments from Institutional Shareholders	2 August 2012
Ex date	7 August 2012
Record Date	7pm (AEST) 13 August 2012
Retail Entitlement Offer opens	14 August 2012
Allotment of Institutional Entitlement Component New Shares	16 August 2012



Retail Entitlement Offer closes	5pm (AEST) 4 September 2012
Deferred settlement trading on ASX commences	5 September 2012
Notify ASX of under subscriptions	7 September 2012
Allotment of New Shares under Retail Entitlement Offer and Shortfall Facility and despatch of holding statements	11 September 2012

**This timetable is indicative only. The Directors of Iron Road reserve their right to extend the closing date for the Entitlement Offer at their discretion, in consultation with the Underwriter and subject to the ASX Listing Rules. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.*

4 Entitlement Offer booklet

The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35), meaning that no prospectus needs to be prepared.

Iron Road proposes to send an offer booklet regarding the Retail Entitlement Offer and personalised Entitlement and Application Form to shareholders on or before Monday 14 August 2012.

You should consider the booklet in deciding whether to exercise your options to participate in the Retail Entitlement Offer. Anyone who wants to participate in the Retail Entitlement Offer will need to complete the Entitlement and Application Form.

5 Further information

If you have any queries please contact Andrew Stocks, Managing Director of Iron Road, on +61 8 8214 4400 or alternatively, consult your stockbroker, solicitor, accountant and/or other professional financial advisor.

On behalf of the Board of Iron Road, I thank you for your continued support.

Yours faithfully

Mr Julian Gosse
Chairman