

ASX Announcement

3 August 2012

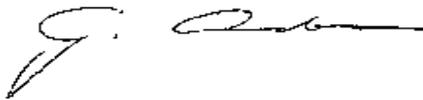
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Iron Road Limited Entitlement Offer – Notice to Eligible Shareholders

Pursuant to the Entitlement Offer announced on 2 August 2012, please find attached a letter despatched to eligible Iron Road Limited shareholders today.

Yours sincerely,
IRON ROAD LIMITED



Graham Anderson
Company Secretary

3 August 2012

Dear Shareholder

Iron Road Limited Entitlement Offer - Notice to shareholders

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**).

1 Purpose of the Entitlement Offer

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**), initiate land acquisitions associated with the CEIP and complete of a scoping study on the Gawler Iron Project.

2 Details of the Retail Entitlement Offer

The Retail Entitlement Offer will be available to Iron Road shareholders on the company's share register as at 7pm (AEST) Monday 13 August 2012 (**Record Date**). The Retail Entitlement Offer and applications to participate in the shortfall facility close at 5pm (AEST) on 4 September 2012.

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 Eligible Retail Shareholders

Eligible Retail Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares as at 7pm (AEST) on the Record Date;

- (b) have a registered address in Australia or New Zealand or in any other jurisdiction as Iron Road has determined (in its absolute discretion) is eligible to participate in the Entitlement Offer;
- (c) are not in the United States or acting on behalf of a person in the United States;
- (d) were not an institutional shareholder who received an offer under the institutional component of the Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Notwithstanding the foregoing, Iron Road may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder in foreign jurisdictions that did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws, including the laws of such shareholder's jurisdiction).

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders. Iron Road reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an ineligible retail shareholder. Iron Road will notify ineligible retail shareholders in a separate letter.

4 Nominee Shareholders

Any registered holder of Iron Road Shares who holds those shares on behalf of another person is a nominee shareholder (**Nominee Shareholder**). If you are a Nominee Shareholder, you must not:

- send any materials relating to the Entitlement Offer to; or
- submit any entitlement and acceptance forms or, otherwise purchase New Shares, on behalf of,

any holders of shares are located outside Australia or New Zealand.

5 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 under Institutional Component	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 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.

6 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 Tuesday 14 August 2012. A copy of the offer booklet has been lodged with ASX and is available on www.asx.com.au.

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.

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

Yours faithfully



Julian Gosse
Chairman

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Information

This letter does not constitute an offer of securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer. In particular, this letter and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This letter has been prepared for publication only in Australia and New Zealand, and may not be released in the United States. The New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

This letter contains forward-looking statements, opinions and estimates including statements regarding the outcome and use of proceeds of the Entitlement Offer. Forward-looking statements can generally be identified by the use of forward-looking words such as “may,” “should,” “expect,” “anticipate,” “estimate,” “scheduled” or “continue” or the negative thereof or comparable terminology. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Iron Road’s control, and which may cause actual results to differ materially from those expressed in the statements contained in this letter and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to Iron Road as of the date of this letter. Except as required by law or regulation (including the ASX Listing Rules), Iron Road undertakes no obligation to update these forward-looking statements.

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