

CENTRAL EYRE IRON PROJECT

Iron Road Announces Update for the Exploration Drilling at the Rob Roy Prospect.

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce the near completion of the Stage VII Phase 2 Mineral Resource expansion drilling programme at the Central Eyre Iron Project (CEIP).

Highlights

- Near completion of the Stage VII 'Rob Roy' Phase 2 diamond drilling programme with two holes remaining. The 17 drill holes completed all intersected significant magnetite mineralisation.
- Phase 3 drilling of the Rob Roy Stage VII drilling programme will commence upon gaining approval from DMITRE (Department for Manufacturing, Innovation, Trade, Resources and Energy, South Australia). The drilling programme comprises 53 drill holes for 27,975m.
- Assay results suggest that the project is on target to significantly increase existing global Mineral Resources at CEIP of 2.10Bt with a grade of 16.2% iron.
- Exploration target for Stage VII drilling programme remains unchanged at 700-900Mt magnetite gneiss with a grade of 16-18% iron estimated¹.
- 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 Phase 2 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 Phase 2 drilling programme commenced during June 2012 following the completion of the Stage VII Phase 1 drilling programme. Both programmes investigate the eastern extension of the magnetite mineralisation (Figure 2). A total of 8,277 metres have been drilled to date for this programme.

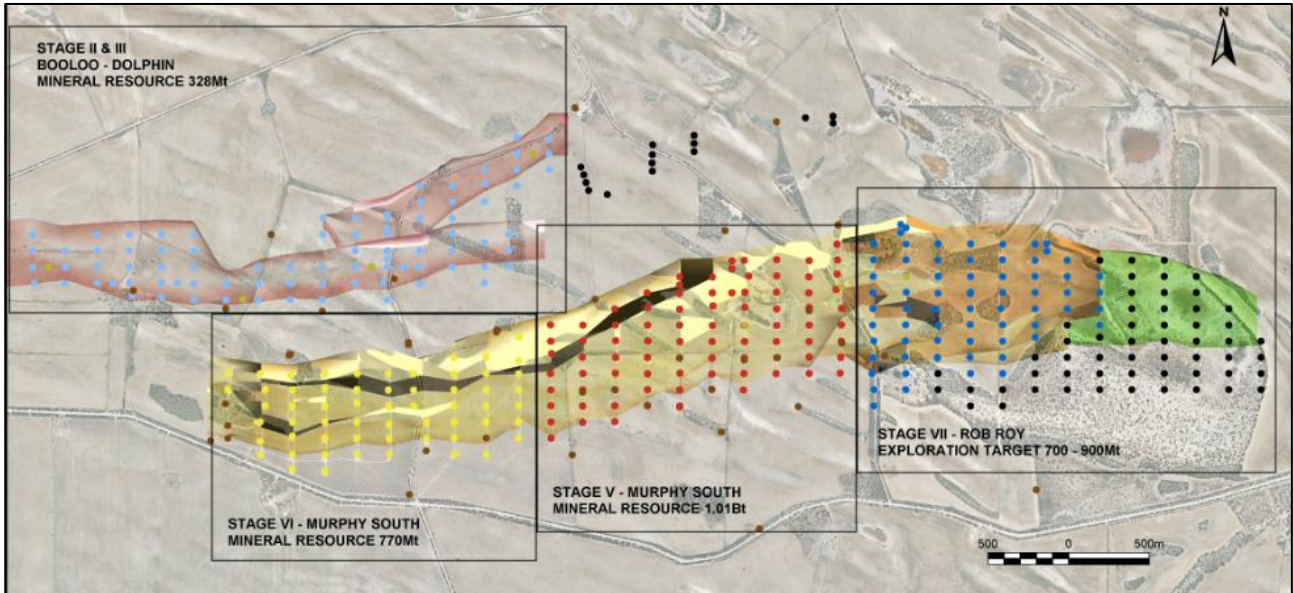


Figure 2 Orebody solids model of Boo-Loo, Dolphin, Murphy South and Rob Roy showing Stage III, IV, V, VI and VII diamond drilling programmes.

The Stage VII drilling programme is testing the mineralisation to the east of Murphy South and comprises three parts. Phase 1 drilling is complete and comprised 46 drill holes for 16,008m. Phase 3 is currently under application with DMITRE and comprises 53 drill holes for 27,975m. The Stage VII Phase 2 drilling programme comprises 19 drill holes for 10,310m and is near completion with two holes remaining (Figure 3).

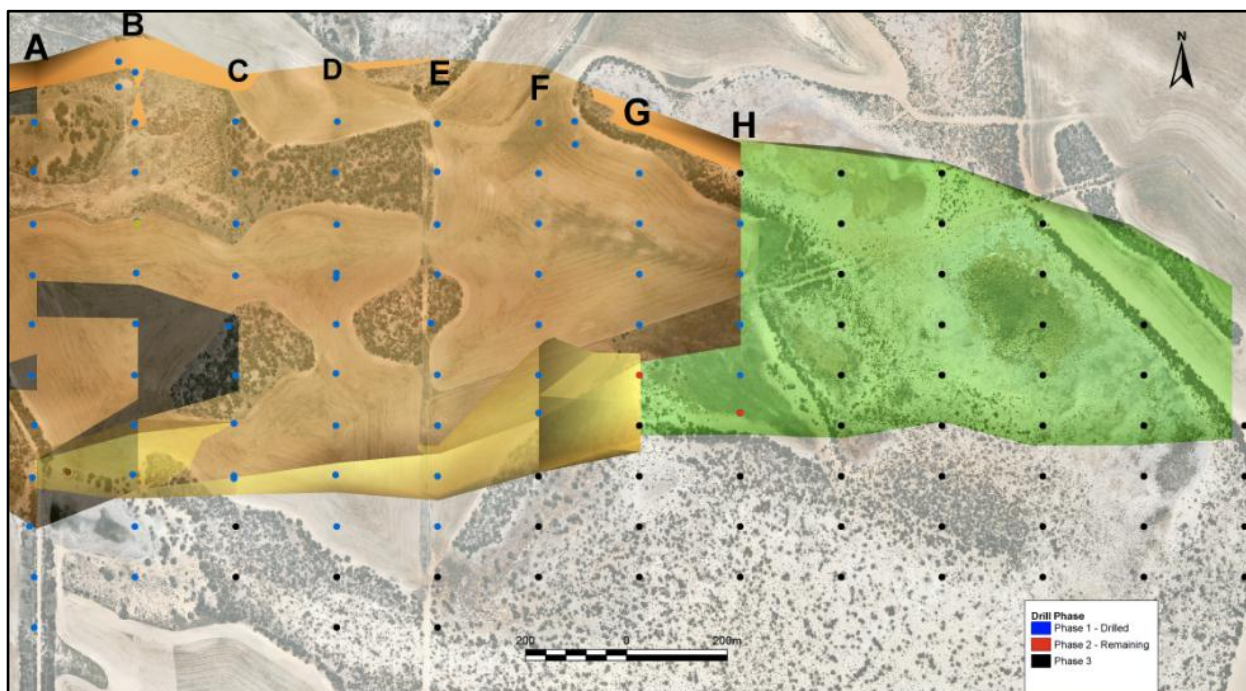


Figure 3 Rob Roy prospect showing actual (orange) and projected (green) orebody solids model and collars for Stage VII Phase 1, 2 & 3 diamond drilling programmes. Traverses A-H are shown in Figures 4-11 below.

Individual diamond holes range from 100m to 700m in depth with drilling on a standard 200m x 100m grid. The stage VII drilling programme evaluates the eastern extension of the Murphy South mineralisation over an area approximately 1,000m wide x 2,600m long.

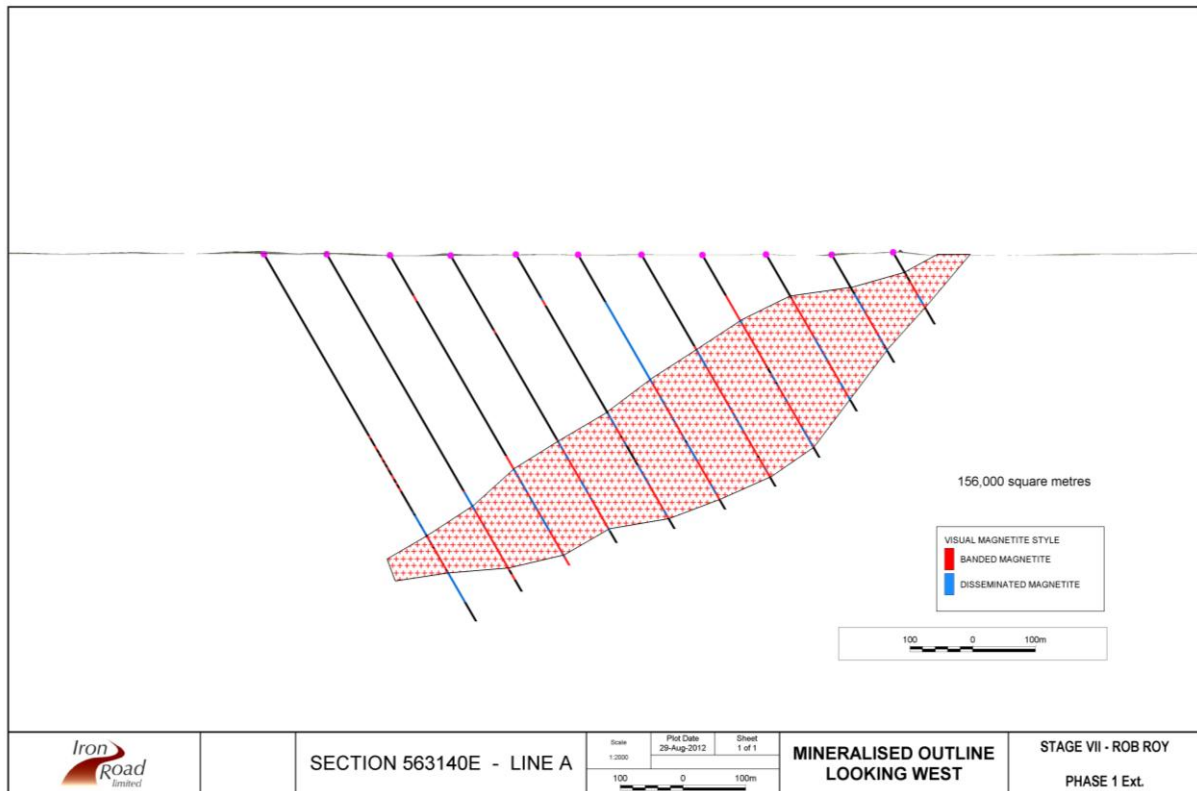


Figure 4

(A) Section 563140E.

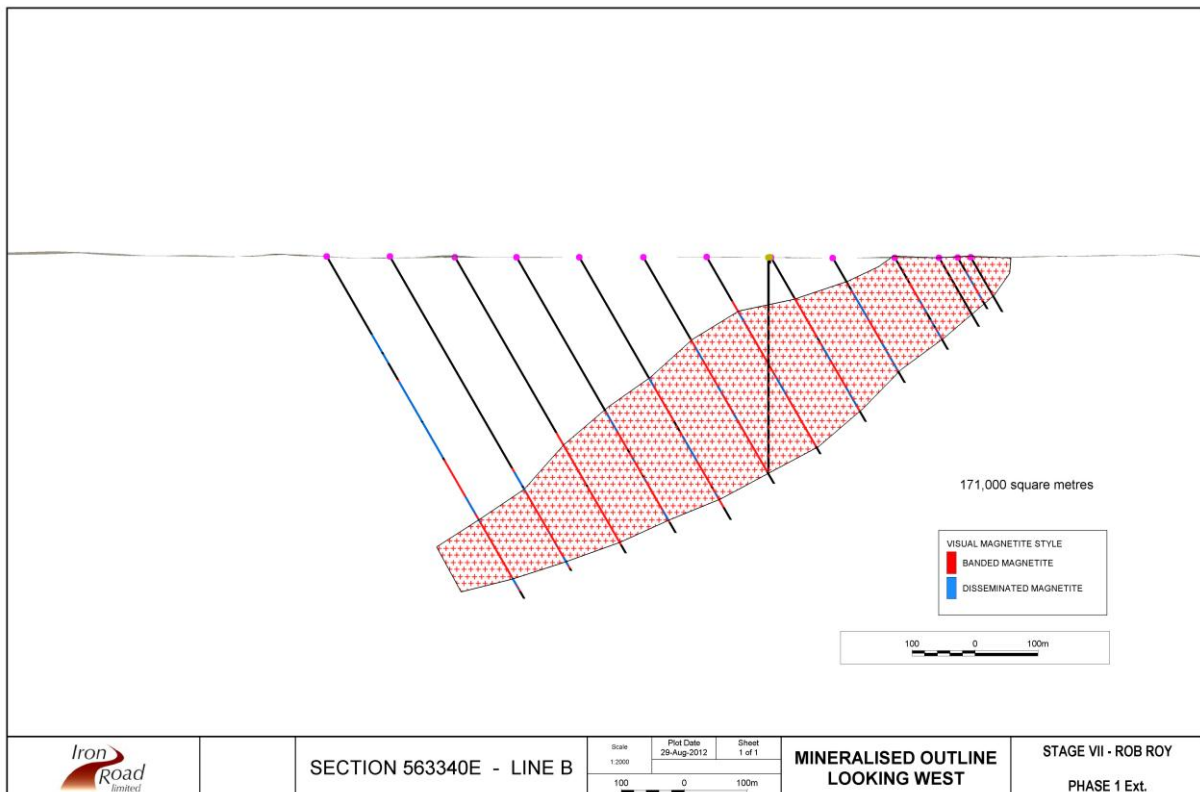


Figure 5

(B) Section 563340E.

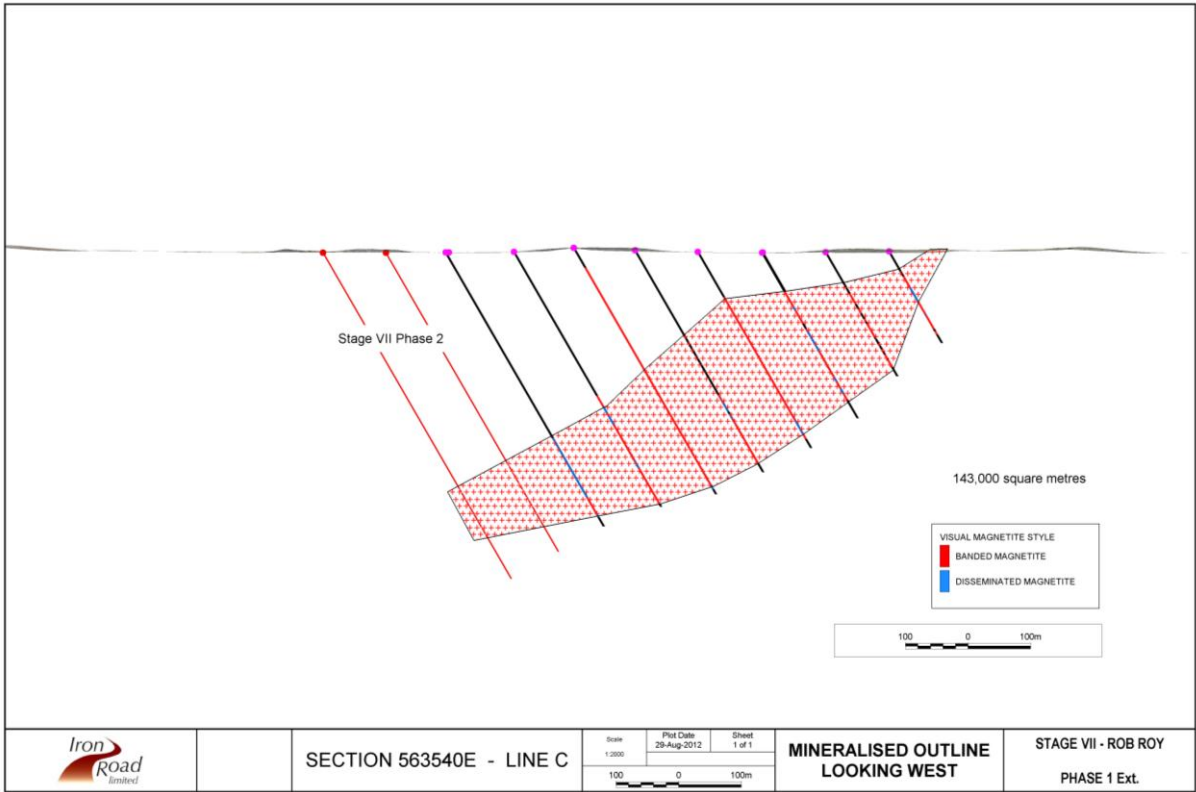


Figure 6

(C) Section 563540E.

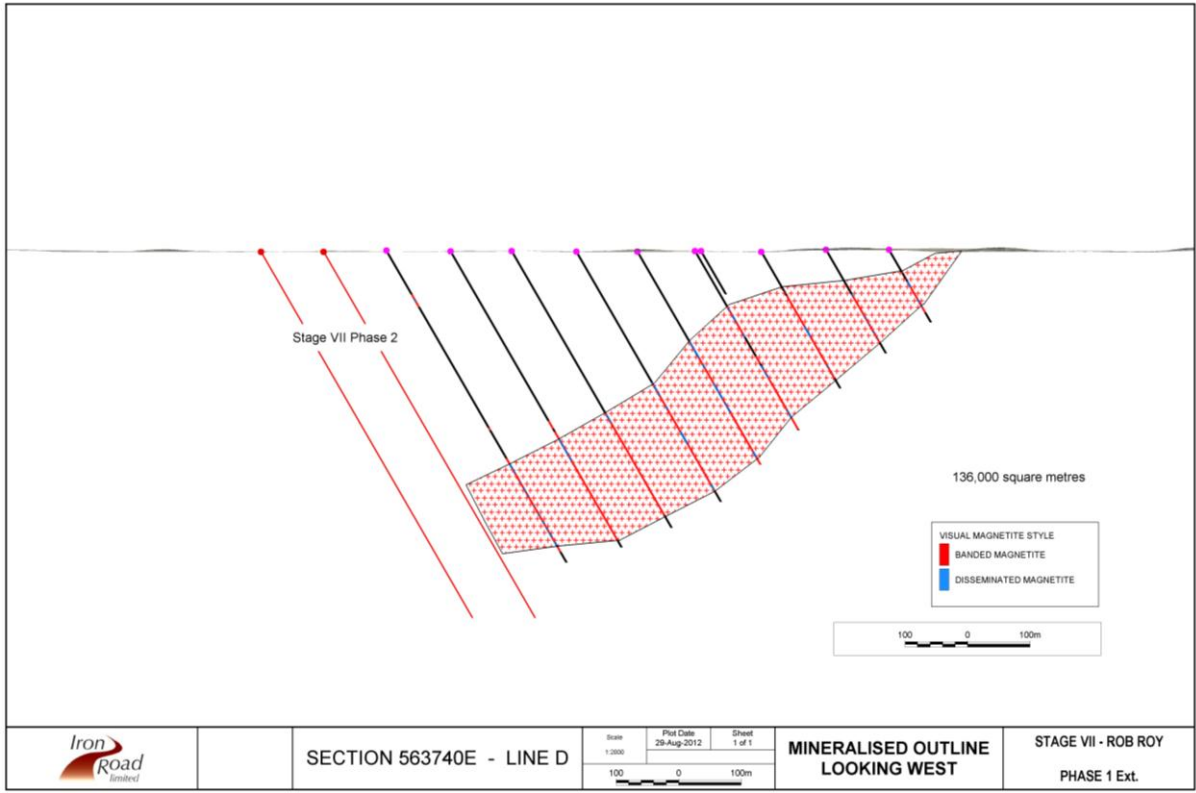


Figure 7

(D) Section 563740E.

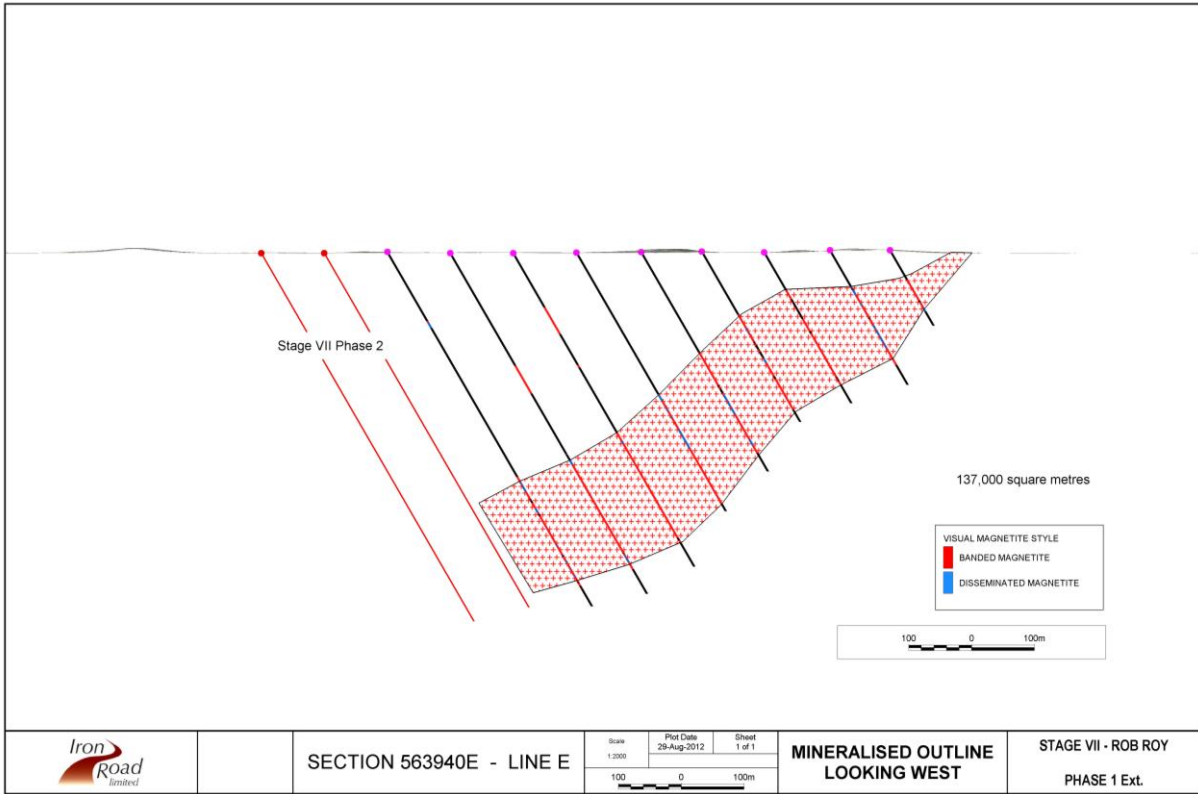


Figure 8

(E) Section 563940E.

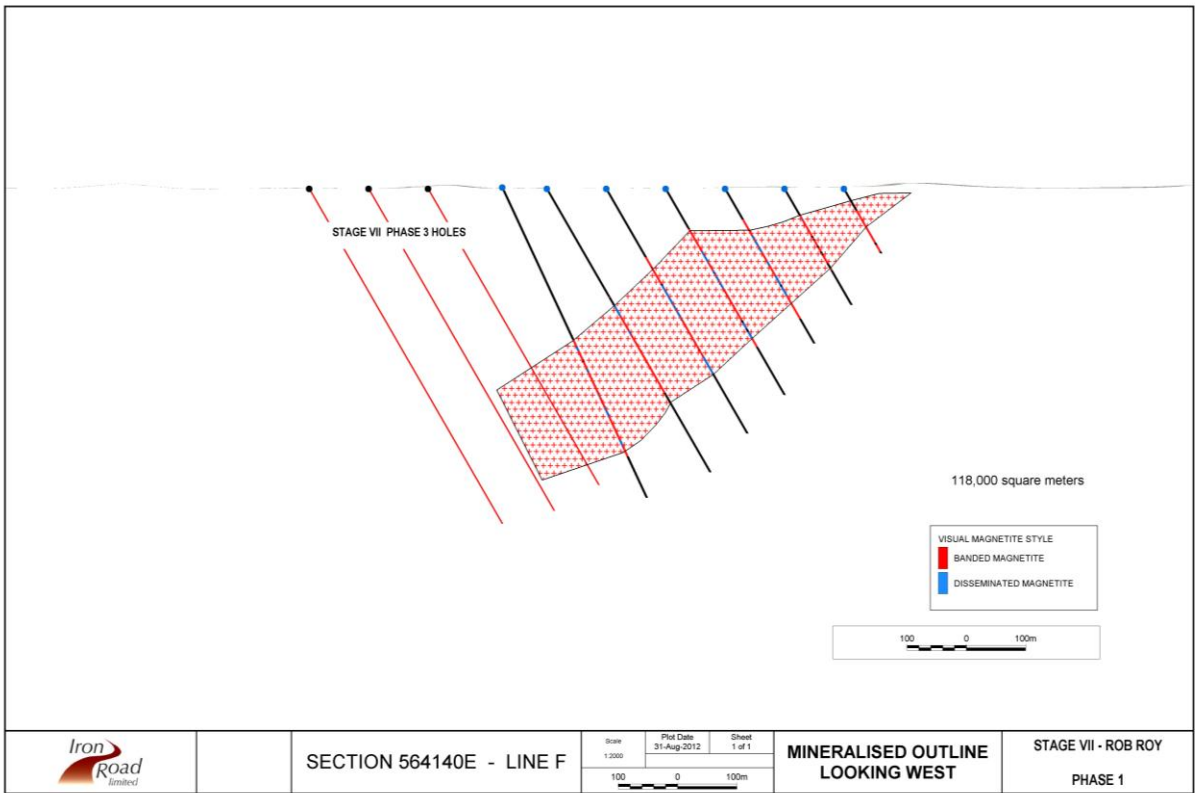


Figure 9

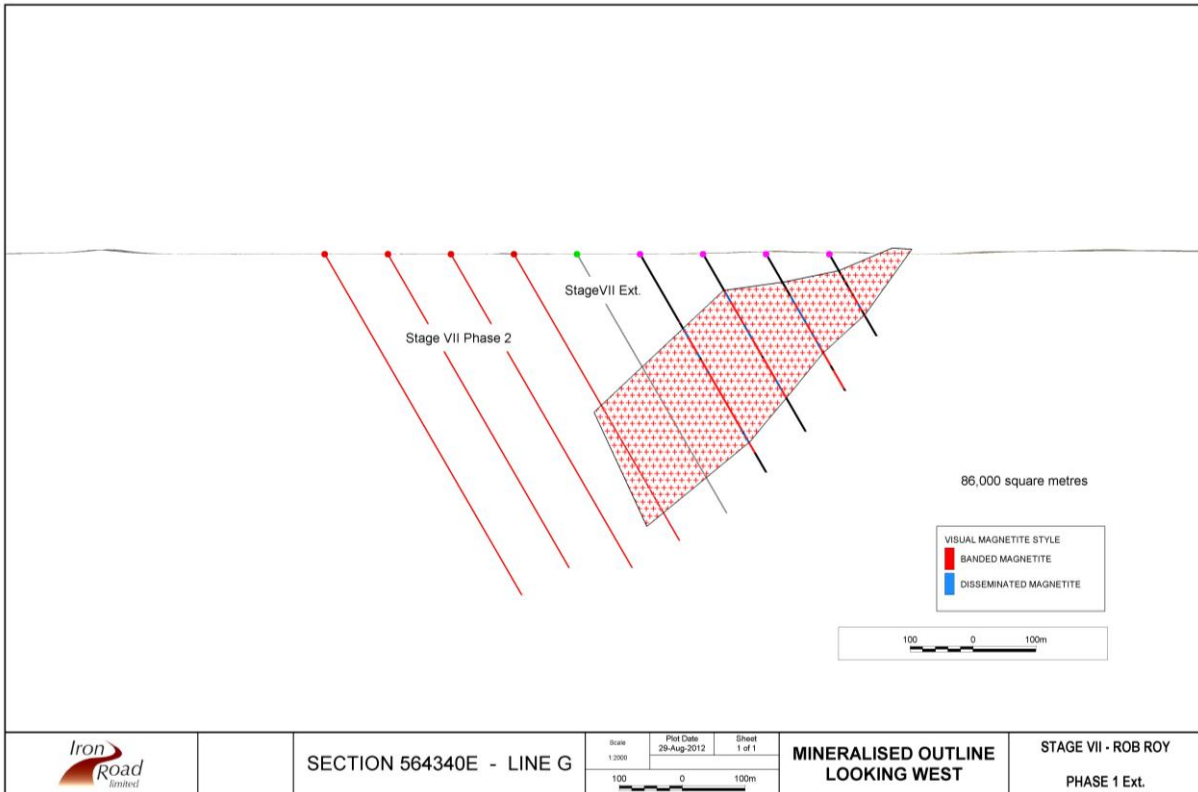


Figure 10

(G) Section 564340E.

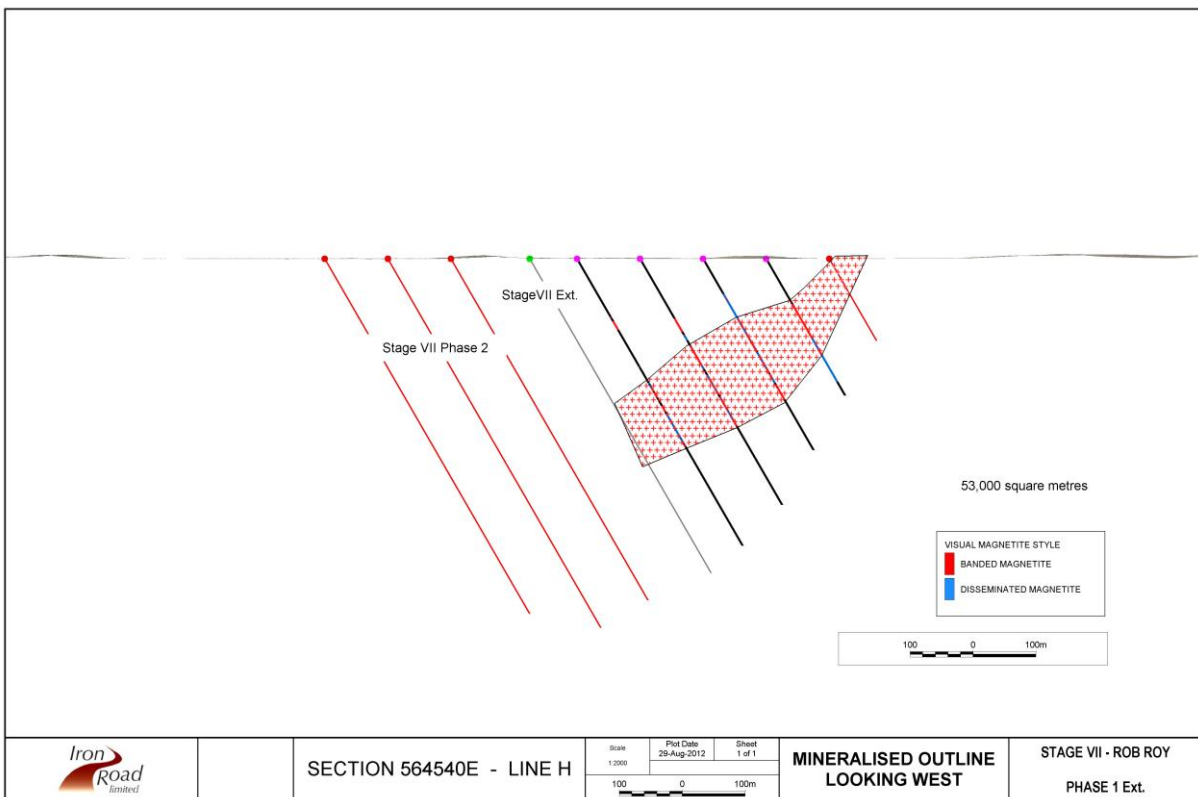


Figure 11

(H) Section 564540E.

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

-ENDS-

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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 (refer attachment 2).

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