

IRON ROAD RAISES \$40 MILLION TO CONTINUE DEVELOPMENT

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce the successful close of the Entitlement Offer announced on 2 August 2012. Proceeds from the Entitlement Offer total \$40 million, before costs.

Highlights

- Fully underwritten Entitlement Offer successfully raises \$40 million, before costs, in order to continue Iron Road's development of the Central Eyre Iron Project (**CEIP**) and Gawler Iron Project (**GIP**).
- Continued support for capital raising from key institutional shareholders, *The Sentient Group*, a private equity resources fund, a Sovereign Wealth Fund and an Australian industry superfund.
- Progress on Definitive Feasibility Study for the CEIP to continue, including:
 - Ongoing resource drilling programme
 - Finalisation of infrastructure options
 - Final engineering design and costings
- GIP to proceed to scoping study, evaluating potential for smaller scale, faster start up project than the CEIP.

Iron Road Managing Director, Mr Andrew Stocks, said he was very pleased Iron Road had secured the funding to enable continued development of the CEIP and GIP.

"The Sentient Group has continued its strong support for our company since prior to listing, by sub-underwriting the offer. I very much welcome the ongoing support of Sentient and our other shareholders for our iron ore development objectives through subscribing for the Entitlement Offer.

"We have seen an excellent show of support from major, long term minded investors for the Company as we continue our development ambitions in South Australia, despite recent short term price fluctuation in the iron ore market," Mr Stocks said.

"Iron Road has always taken what we consider to be a conservative position on long term average iron ore prices in our studies, always expecting fluctuations in the short term. The current short term outlook falls within those expectations and does not have an immediate impact on the project, nor does it change our view on the longer term average pricing regime relevant to a project with a potential of over 30 years.

"Moreover, the long term global demand growth for steel and iron ore remains firm in our view. China, alongside India and Africa to come, will continue to grow and urbanise for decades to come.

"The continued progress on our Definitive Feasibility Study at the CEIP, as well as strengthening our efforts to become a key participant in the South Australian resources sector, should bolster our continuing discussions with potential development partners for the CEIP.

"I am also pleased we can now devote additional resources towards the GIP, which may offer significant scope for a fast track development start-up for Iron Road."

In all, Iron Road has issued 124,936,143 shares at an issue price of \$0.32 under the Entitlement Offer. Some 19,425,851 shares were subscribed for under the Institutional component which closed on 15 August 2012. Pursuant to the Retail Entitlement Offer component, Iron Road shareholders subscribed for 10,204,192 shares, with the sub-underwriter, *The Sentient Group* taking up the shortfall of 95,306,100.

Settlement of the retail component is scheduled to take place on Monday, 10 September 2012, with issue and allotment of the new shares to occur the following day, and ASX trading of the new shares expected to commence on a normal basis on Wednesday, 12 September 2012.

About *The Sentient Group*

The Sentient Group manages over US\$2.3bn in the development of quality metal, mineral and energy assets across the globe through its Cayman-based, 10 year closed-end private equity Sentient Global Resources Funds.



Sentient's professionals have long experience in the natural resources and investment industries and possess a combination of skills covering geological exploration, commodity analysis, political risk, capital markets, financial structuring and portfolio management.

Investors in Sentient's funds are institutional investors typically representing university endowment funds, corporate pension funds, family offices and resource industry participants. The global spread of investors complements Sentient's global mandate.

For further information: <http://www.thesentientgroup.com>

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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 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.