

## About Iron Road

Iron Road Limited was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio including a well-located development stage project, complemented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of premium iron concentrate for export. A definitive feasibility study is currently assessing production of 20Mtpa of iron concentrates.

Metallurgical test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of  $-106\mu\text{m}$  grading 67% iron with low impurities.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

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Iron Road continued activities directed at advancing the flagship Central Eyre Iron Project, the largest iron ore project in South Australia. The Definitive Feasibility Study is progressing well and Engineering & Design Service activities are moving through staged delivery of designs across all operational areas.

The studies indicate that the CEIP has the potential to become a significant large scale iron ore project able to underpin the development of enabling infrastructure, including a large tonnage, bulk material port that may be integrated into the national rail system. Such infrastructure would have considerable benefit for the long term development of South Australia.

The Company raised \$40 million through an underwritten entitlement offer to continue the significant progress made to date on the DFS and undertake a scoping study for the smaller Gawler Iron Project (GIP).

## Highlights

### Central Eyre Iron Project

- The 'Owner's team' of technical professionals is established in the Iron Road head office situated in the Adelaide CBD, including managers for Approvals, Commercial, Finance, Geology, Mining, Metallurgy, Infrastructure, Project Controls and Study Coordination.
- Engineering and Design Service (EDS) providers continued work on packages for mining, process plant, tailings and infrastructure, including water supply and treatment. EDS personnel for Adelaide-based packages have relocated to Iron Road's offices.
- Field investigations and engineering underway for the mine design, process plant, tailings storage and major infrastructure facilities, including railway and train systems, stockyards at the mine and proposed port, as well as marine jetty and multi-user ship berth.
- Mining studies reached first-pass preliminary pit shell estimation for the combined CEIP mineral resource (Murphy South and Boo-Loo). Initial bench height analysis was conducted that will assist in selection of suitable excavation and hauling fleets.
- Initial confirmatory metallurgical tests and quantitative mineralogical characterisation results suggest opportunities to lower power demand and optimise iron recovery may be available by means of improved classification around the milling circuits and consideration of gravity-based beneficiation processes.
- Dynamic simulation of ore treatment and concentrate handling has advanced to confirmation of major equipment capable of producing 20Mtpa of concentrate.
- CEIP concentrate bulk sample is undergoing granulation and sintering test work by the highly regarded China Iron and Steel Research Institute Group (CISRI) in Beijing.

- Discussion with ElectraNet continued in respect to power transmission options in view of their submission of a Regulatory Investment Test – Transmission (RIT-T). Conclusion of this procedure will provide direction for investment and ownership of transmission assets to support the CEIP.
- Stage VII drilling programme at ‘Rob Roy’ now moving into the final phase after approval was received from the regulator for 53 additional diamond drill holes. Resource drilling will enable completion of an increased Mineral Resource Estimate for the project.

### **Gawler Iron Project**

- Scoping study and planning for additional drilling and metallurgical test work commenced to determine the viability for a mining and beneficiation operation producing 1-2 million tonnes of concentrates per annum.

### **Corporate**

- An independent audit of Iron Road’s community engagement programme was conducted by Community Engagement Group Australia, with significant positive feedback received alongside recommendations for programme expansions.
- An underwritten share entitlement offer raised \$40 million before costs. Proceeds will be used to continue development of the Central Eyre Iron Project (CEIP) and the Gawler Iron Project (GIP).
- The Company announced on 15 October that Mr Peter Cassidy had been appointed to the Board of Directors of Iron Road and to the role of Chairman. Mr Cassidy is a co-founder and Chairman of resources investment fund *The Sentient Group*, Iron Road’s majority shareholder. He is also Chairman of Enirgi Group Corporation and a director of Xinli Titanium. Prior to joining Sentient, Mr Cassidy established AMP Life’s private equity division.



Figure 1

Drill Rig at the Wudinna Show

## **Projects**

### ***South Australia – Central Eyre Iron Project***

The Central Eyre Iron Project (CEIP) is located on the Eyre Peninsula of South Australia, within a grain farming district, approximately 30km southeast of the regional centre of Wudinna. The CEIP concentrate is being marketed as a high quality blending feedstock to the international sinter market, which feeds the majority of blast furnaces.

Current Mineral Resources at the CEIP exceed 2.1 billion tonnes magnetite gneiss<sup>1</sup> and alongside an exploration target for the Stage VII drilling programme of 700-900Mt magnetite gneiss with a grade of 16-18% iron<sup>2</sup>, gives a potential for resource expansion in the near term to over 3.0 billion tonnes magnetite gneiss. This additional mineralisation is expected to be delineated through the extension of the Murphy South and Rob Roy orebody by diamond drilling, both along strike and down dip.

### ***Definitive Feasibility Study (DFS)***

A large-scale magnetite mine is being studied to extract more than 110Mtpa of mineralised rock and 90Mtpa of waste rock, over a potential life exceeding 30 years. Ore treatment and tailings storage facilities, as well as concentrate stockyards, will be installed to deliver high-grade product of about 67% iron at a relatively coarse size distribution of around 140 mesh (80% passing -106µm).

About 20Mtpa of magnetite concentrate with 8% moisture content will be transported through a new, standard gauge railway to a port on the east coast of the Eyre Peninsula. Stockyards, reclaim, jetty and load-out systems will be established to load ships of various sizes.

This utilities corridor will also be used to transmit the necessary power and the supply of sea water for ore treatment, to the mine and plant site. A water treatment and storage facility is planned to produce fresh water for concentrate washing, as well as potable water for the construction village and domestic use.

Environmental base-line studies and field investigations have been initiated across each of the project areas to support planning and regulatory submissions. EDS studies and investigations which relate to planning approvals, environmental topics and mine lease submissions will continue through 2013. Study schedules show that estimates of capital and operating costs will be established during mid-2013, followed by compilation and publication of the DFS Report.

### ***Mine, Processing Plant and Associated Infrastructure***

SKM (a leading projects firm with experience in engineering and project delivery) has prepared preliminary designs of important facilities. These facilities include major infrastructure packages; proposed stockyards at mine and port, rail-loop and wagon loading at mine, railway through corridor and port load-out, workshops, jetty and berth. Planning, (scope, schedule and budget) for the next stage of activities, such as engineering sufficient for cost estimation, is well advanced with focus on those facilities necessary for approvals and permitting.

Dynamic simulation of train movements was conducted and loading/unloading arrangements reached preliminary design based on results from handling tests on bulk concentrate at TUNRA. Design allowances for dust control and moisture variation will be made during further studies.

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<sup>1</sup> Refer *Mineral Resource statement page 17 and Competent Person's Statement at page 18.*

<sup>2</sup> 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 prospects.

A preliminary utilities corridor was identified and detailed aerial surveys completed over all project areas. Railway, pipeline and power transmission, together with an access road, will be routed along a common easement between the proposed port on eastern Eyre Peninsula and the mine site near Warrambo.

Geotechnical investigations began at the proposed port location and near the proposed tailings storage facility at the mine site. Further drilling, pitting and seismic work will be conducted over coming months across project areas, depending on land access arrangements, consultations with land holders and progress of permits.

Offers for the study of Water Supply and Treatment were technically and commercially evaluated against selected performance criteria. AECOM (a global provider of professional technical and management support services) became the preferred EDS provider and contractual terms negotiated. The study was launched reviewing options for delivering process water and producing potable water to suit the needs of the CEIP, including comparison of pumping and piping technologies.

Preparation for hydro-geological pump tests at the mine site have commenced, which will be conducted during the December Quarter. Results will be interpreted to assess the potential influence of mining activity on local and regional ground water.

Initial bench height analysis across the current resources and extrapolation of mineralisation within the mineral resource model has allowed preliminary optimisation of the pit shells. Conclusion of mine design and scheduling of ore deliveries awaits close-out of ongoing resource drilling during the first half of 2013, followed by interpretation of the Mineral Resource estimate into an expanded geological block model.

Tenova Projects, (formerly Bateman – a worldwide supplier of advanced technologies and engineering services for the iron & steel and mining industries) have prepared process design information. A preliminary plant layout of the rock crushing facilities has been oriented in relation to the pit boundary. The position of the broken ore stockpile and the wet ore treatment facilities have been selected in regard to proximity of concentrate stockpiles and train load-out station. Study schedules show that estimates of capital and operating costs will be established during mid-2013, followed by compilation and publication of the DFS Report.

Iron Road's engagement with ElectraNet continued towards the Regulatory Investment Test. The preferred option for power transmission to the CEIP and hence upgrading the existing power network on Eyre Peninsula will depend on the outcome of this procedure and the national Regulator.

Geological reconnaissance of existing and potential quarry locations to supply aggregate to the project was supported by geotechnical drilling and pitting at selected locations within the proposed port site. Results of strength and quality tests will be evaluated by Iron Road's EDS providers.

### ***Metallurgical Test Work***

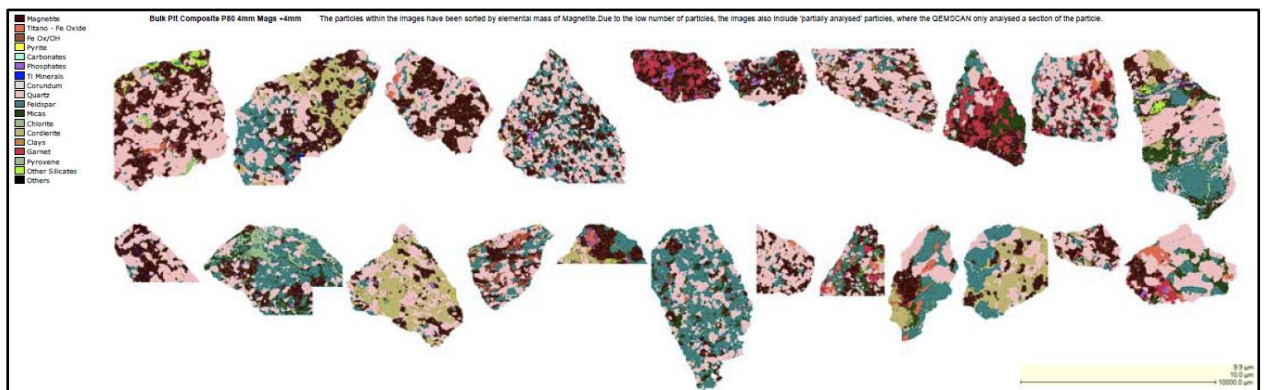
Metallurgical investigation of core intersections from mineralised mining zones has advanced through batch crushing tests at AMDEL-BV. Laboratory investigations include advanced crushing and grinding testing which is a precursor to large-scale ore breakage tests and assessment of magnetic separation at industrial settings for low intensity magnetic separation (Figure 2). Blending and preparation of representative bulk samples for high pressure rolls crushers (HPRC) pilot runs is also complete and pilot tests are being conducted with industrial Polysius and Koeppern machines in Perth. Results will confirm the relationship between energy input and mineral release for samples of typical ore.



**Figure 2 Wet LIMS -106µm product (concentrate) and tailings (waste)**

Investigations are underway to quantify the variability of magnetite distribution and traces of hematite were detected in most primary rock samples examined to date (Figure 3).

Process simulation for beneficiation circuit performance and prediction of potential enhancement of magnetite recovery, will assist estimation of Ore Reserves. Opportunities to enhance iron recovery by gravity techniques for increased magnetite and hematite department to concentrate, will be analysed through process modelling and circuit simulation. Potential improvement of grinding process efficiency will also be investigated, since ore milling will be the largest consumer of power at the CEIP.



**Figure 3 – Image from electron microscopy, QEMSCAN (Quantitative Evaluation of Minerals by SCANNing) showing mineral species from the +4mm MAGS CEIP bulk pit composite.**

### **Marketing**

An 800kg CEIP concentrate bulk sample is undergoing detailed granulation and sintering test work by the highly regarded China Iron and Steel Research Institute Group (CISRI) in Beijing. This test programme will be undertaken during the fourth Quarter of 2012 with the specific purposes of:

- Evaluating the granulation characteristics; and
- Determining the sintering performance of Iron Road CEIP concentrate at various blends by substitution of CEIP concentrate for Pilbara fines, Brazilian fines and domestic Chinese concentrates.

Whilst Iron Road's marketing and test programme is focussed primarily on the usage of CEIP concentrates in the sinter market, another sample of CEIP concentrate is also under evaluation as a potential blend material with Chinese concentrates for the production of iron ore pellets.

The outcomes of these testing programmes is expected to prove highly beneficial in assisting Iron Road in identifying potential offtake partners whose steelmaking operations would most benefit from the usage of CEIP's premium quality magnetite concentrate.

Key Iron Road staff are visiting China with the specific objectives being to:

- Discuss progress with CISRI relative to the test work programme;
- Undertake detailed technical discussions, relative to the usage of CEIP concentrates as a sinter plant feedstock, with an independent steel industry expert; and
- Continue discussions with steel mill representatives.

### **Stage VII Resource Expansion Drilling – Rob Roy**

The Stage VII 'Rob Roy' drilling programme follows on from the success of the two preceding drilling programmes at Murphy South (Stage V and VI) and targets the eastern portion of a large orebody in excess of 6km in strike length (Figures 4, 5).

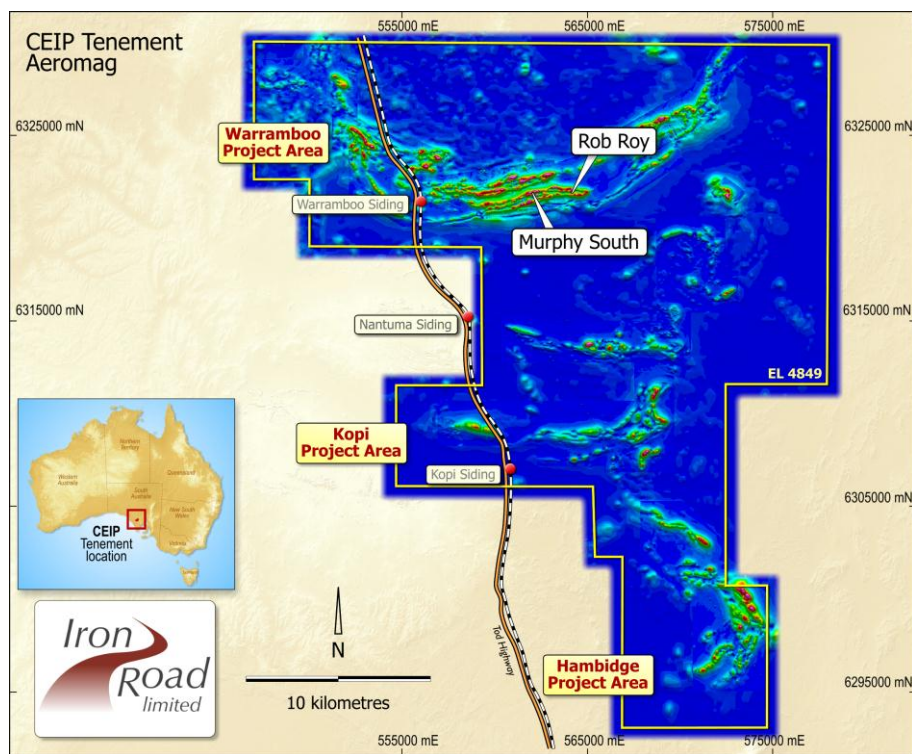
The purpose of the Stage VII 'Rob Roy' drilling programme is to delineate and evaluate the eastern extension of the Murphy South magnetite gneiss orebody, both along strike and dip, by means of thirteen evenly spaced drilling traverses. The completion of several Stage VII drill holes has allowed for the estimation of an exploration target at the prospect of 700-900Mt magnetite gneiss with an estimated grade of 16-18% iron<sup>3</sup>. This suggests that a combined Mineral Resource Estimate of approximately 3.0Bt is possible for the Boo-Loo, Murphy South and Rob Roy areas.

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<sup>3</sup> 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 prospects.

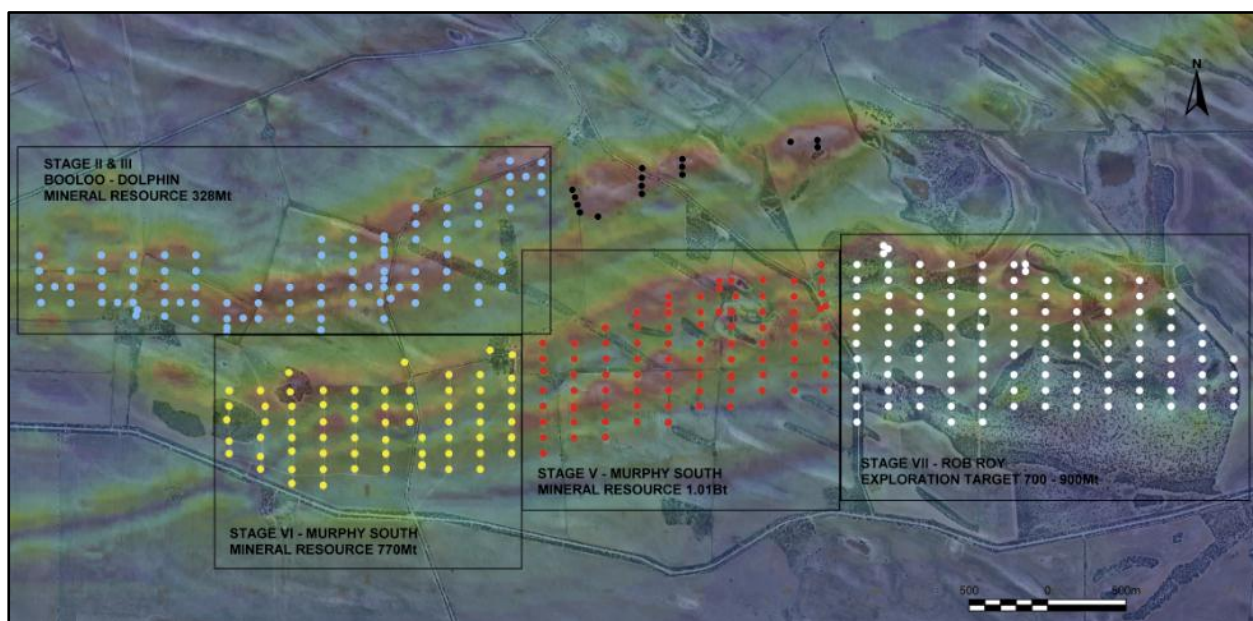
**Figure 4**

**CEIP tenement highlighting  
Murphy South and Rob Roy prospects**



The drilling programme progressed as planned with a total of eight holes completed during the quarter for 3,366m. Since commencement of drilling during November 2011 a total of 68 holes have been completed for 24,327m. The entire Stage VII drilling programme comprises 118 holes for 54,293m of drilling. The final part of the programme consisting of 53 holes has recently been approved by DMITRE (Figure 6).

The area covered by the drilling at the Rob Roy prospect covers approximately 1000m (width) x 2,600m (length), with all holes being NQ2 diamond core once in fresh rock. Individual diamond holes range from 100m to 700m in depth with drilling on a standard 200m x 100m grid pattern.



**Figure 5 Plan view of Boo-Loo, Murphy South & current Rob Roy resource expansion drilling programme**

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.

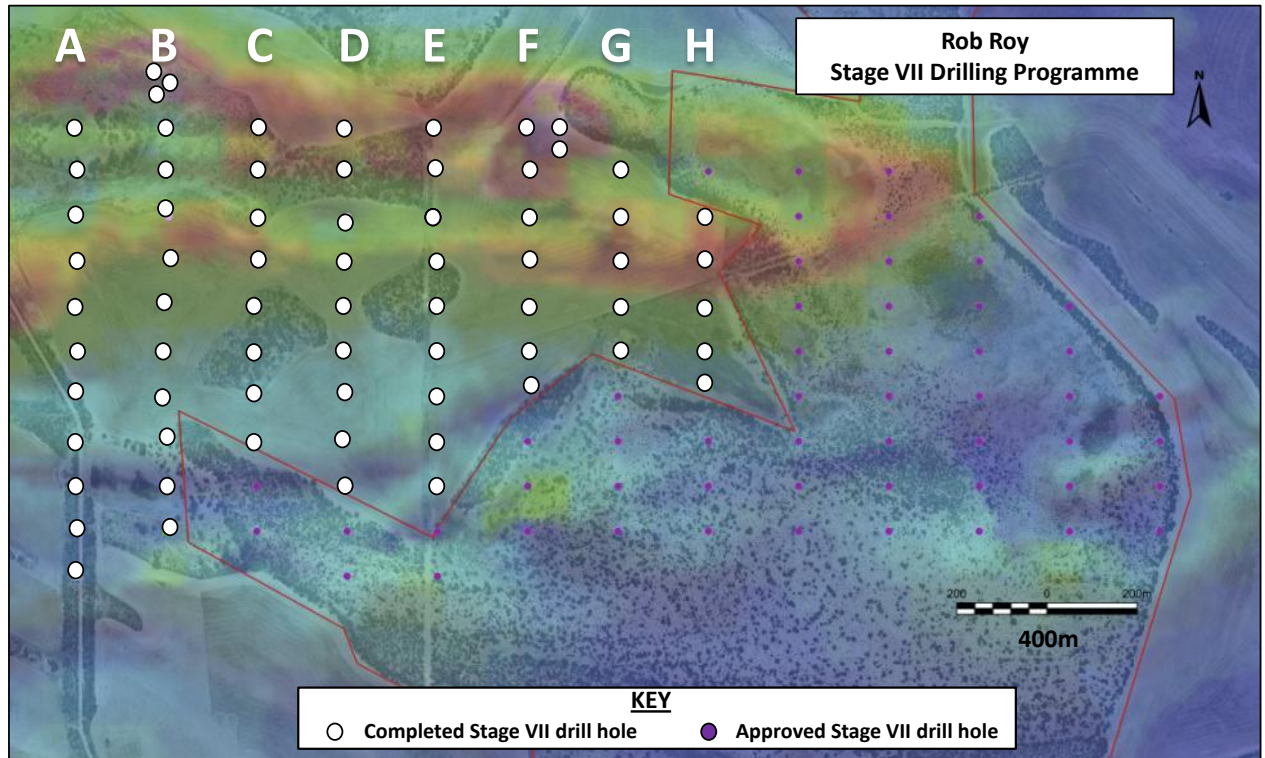


Figure 6 Plan view of Murphy South Stage VII 'Rob Roy' drilling collars and traverses A to H.

Sections A to H (as indicated in Figure 6) are shown below.

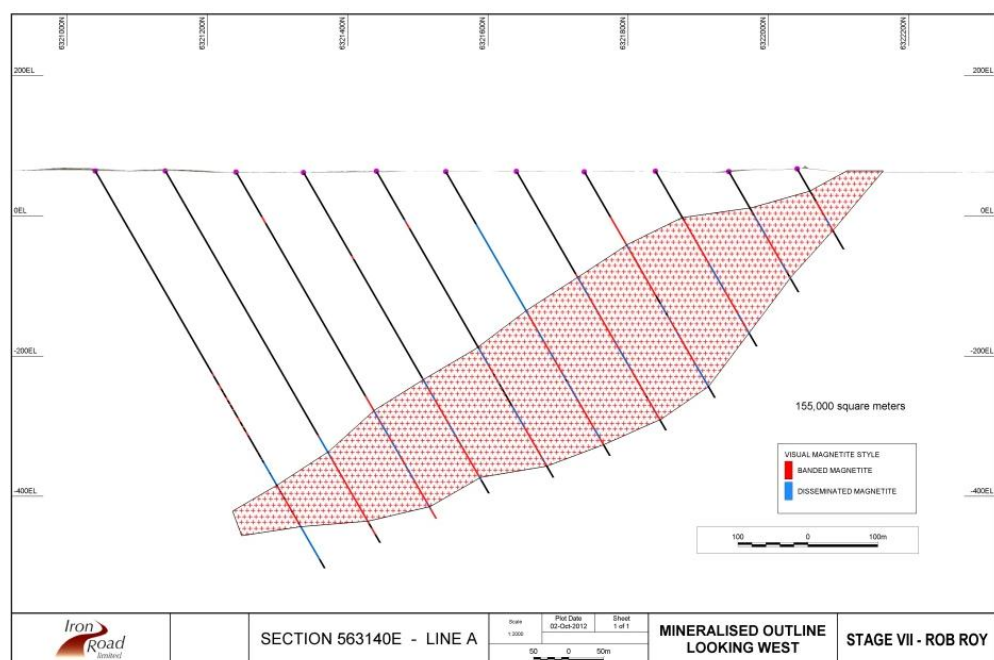


Figure 7

(A) Section 563140E



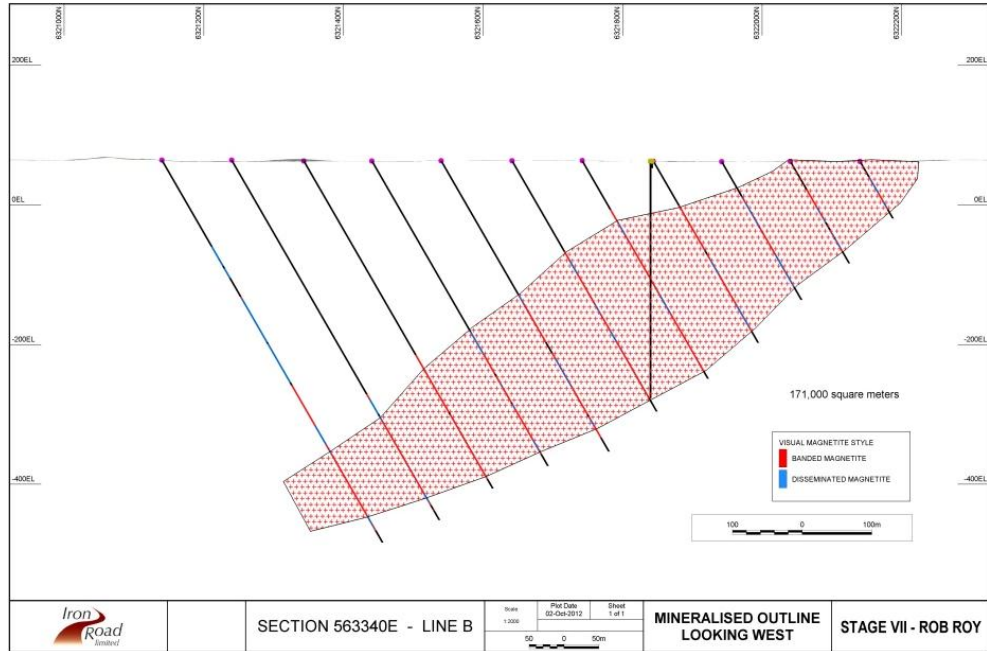


Figure 8

(B) Section 563340E

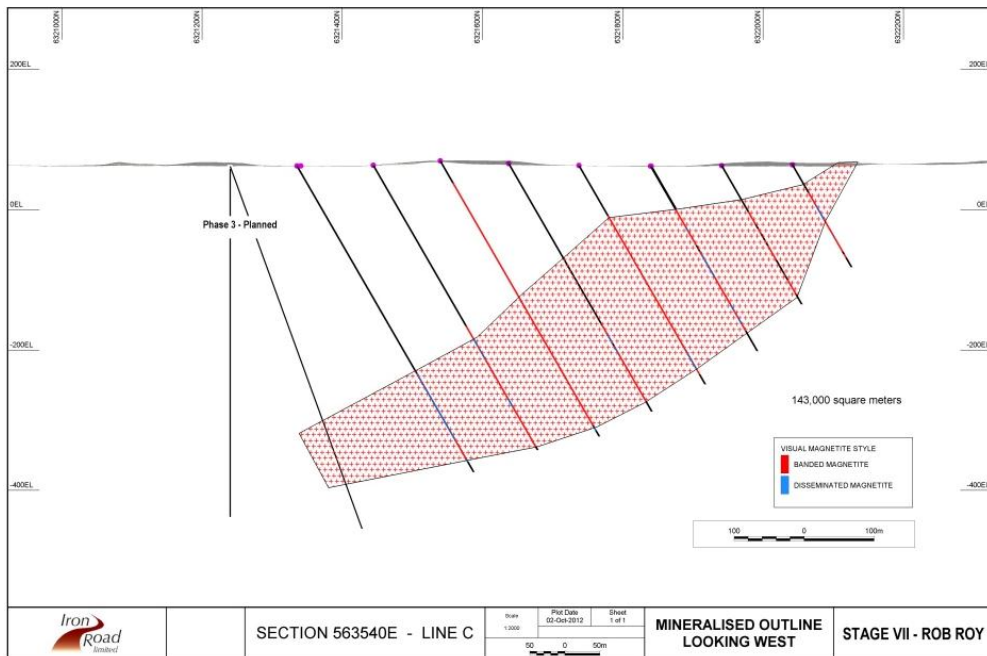


Figure 9

(C) Section 563540E

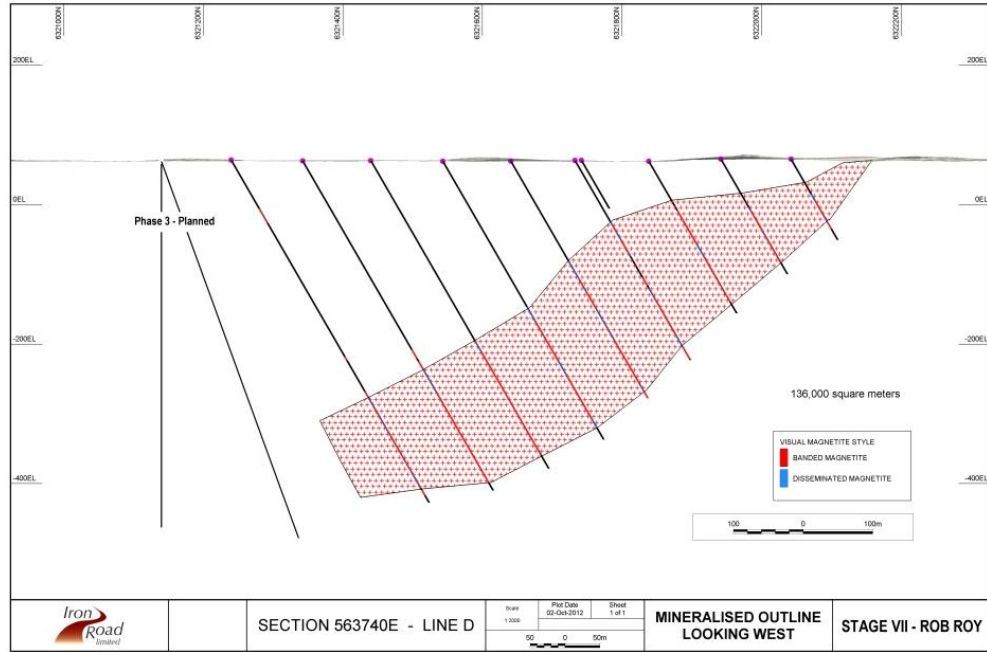


Figure 10

(D) Section 563740E

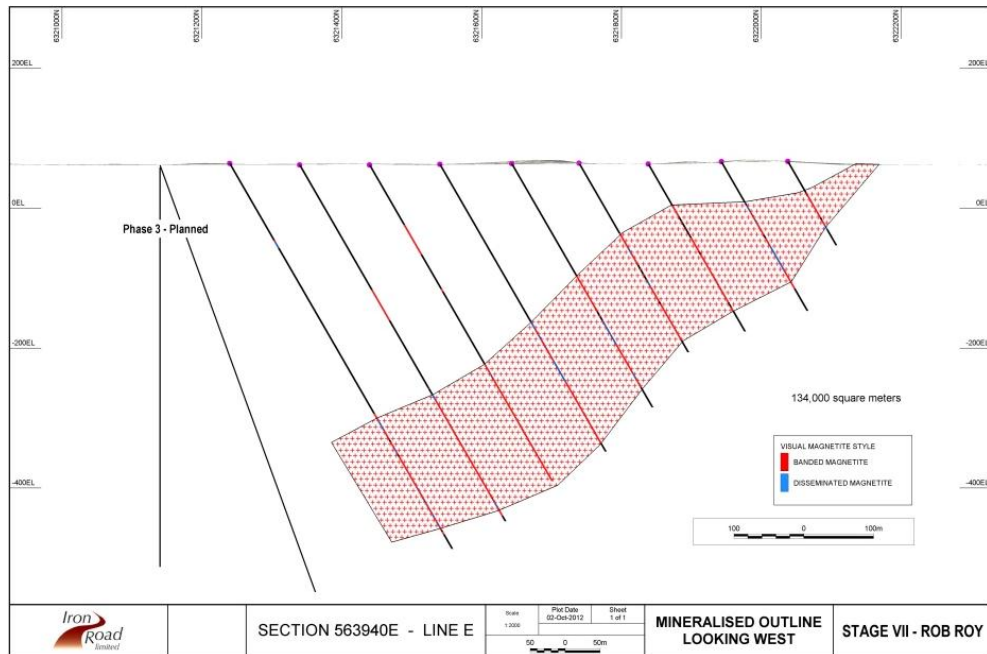


Figure 11

(E) Section 563940E

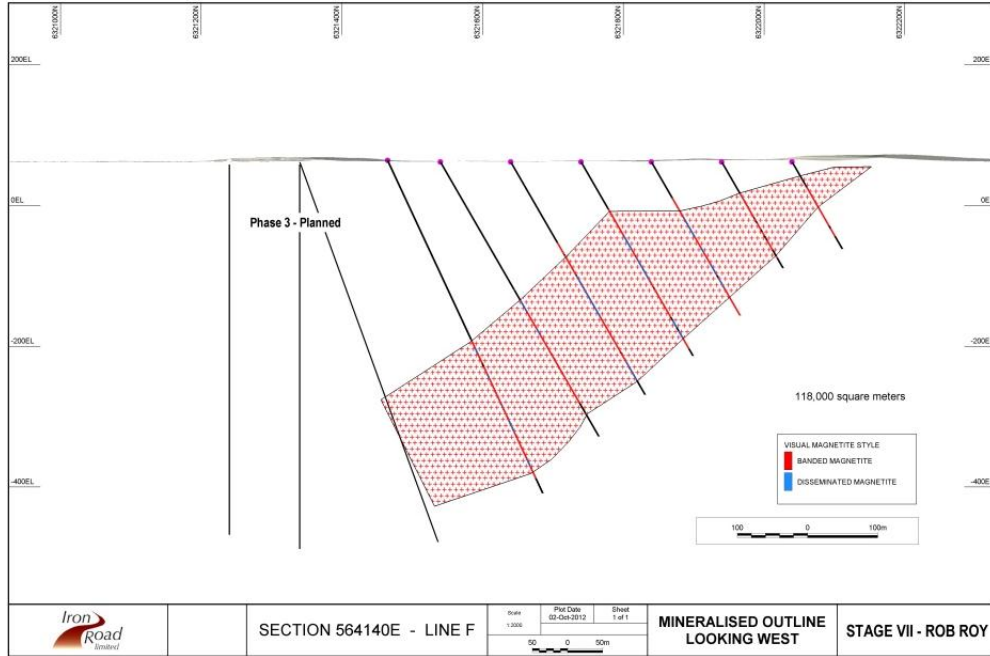


Figure 12

(F) Section 564140E

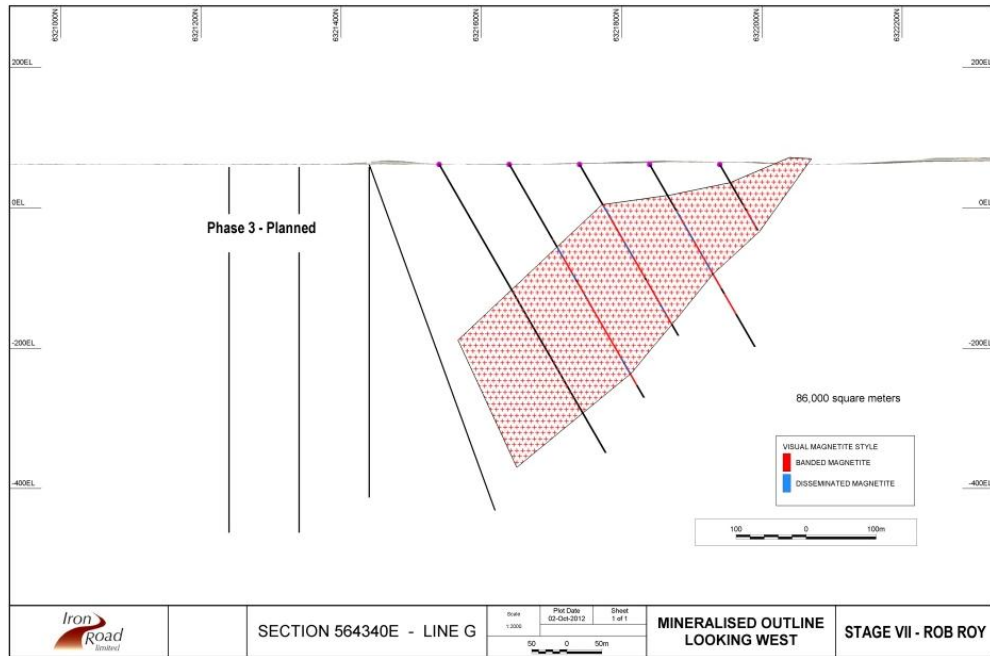


Figure 13

(G) Section 564340E

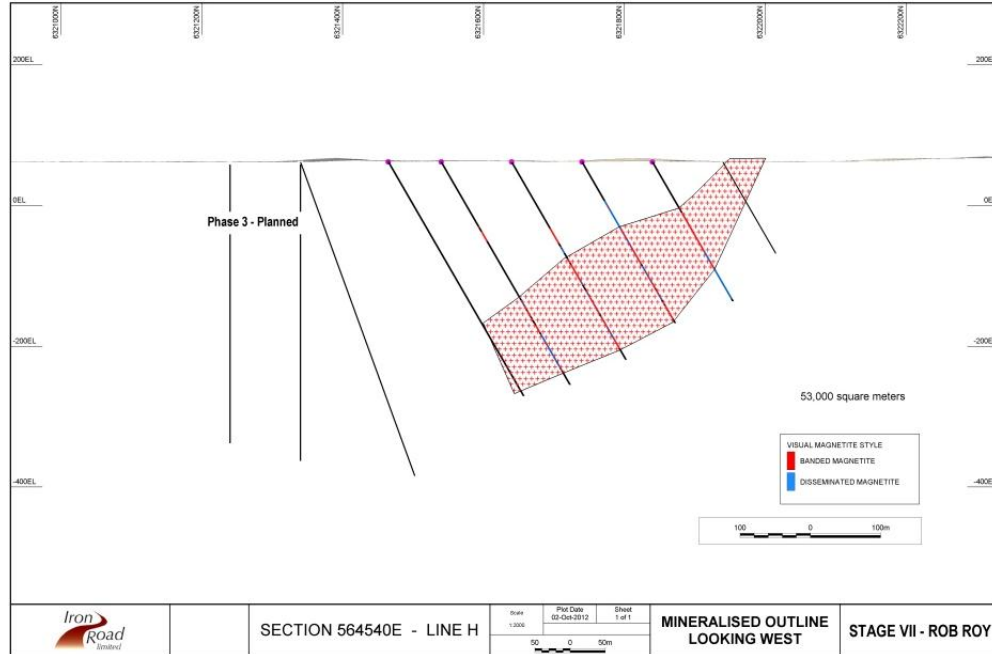


Figure 14

(H) Section 564540E

### Boo-Loo – Murphy South Gap Exploratory Drilling

The relationship between the Boo-Loo and Murphy South orebodies at depth is not well understood. To aid in this understanding, two drill holes at two separate localities were designed to test the area between Boo-Loo and Murphy South. At the first locality drilling involves the deepening of an existing geotechnical hole from 200m depth and the drilling of second hole from the surface; both designed to clarify the structural relationship between the two components of the magnetite gneiss Mineral Resource (Figure 15).

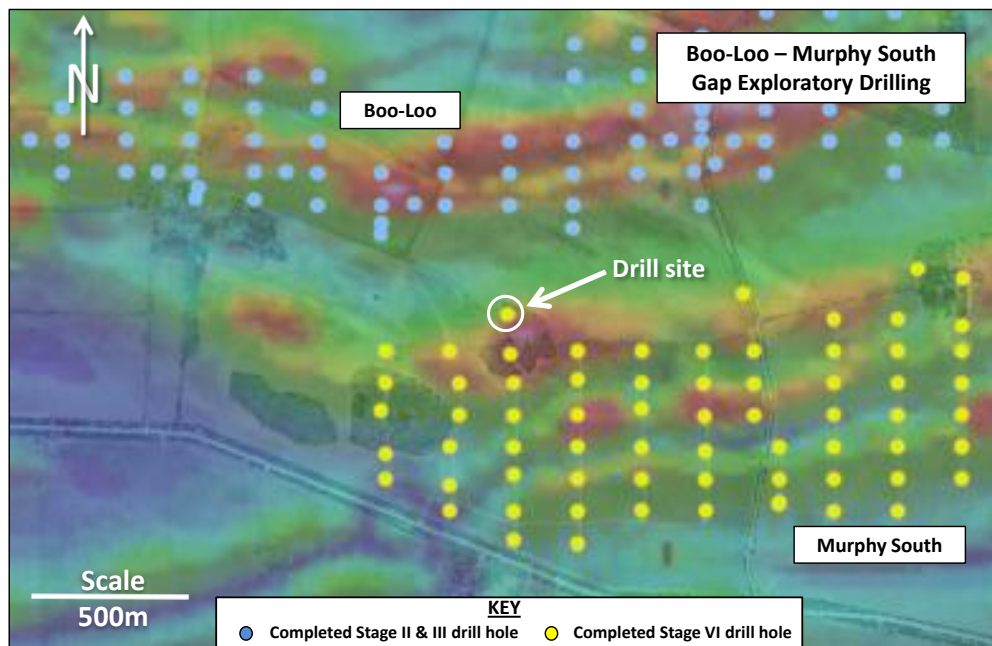


Figure 15

Boo-Loo Murphy South Gap drill locality plan

Deepening of the first hole, IRD 349 is progressing to expectation and magnetite gneiss was intercepted from 494m down hole depth, supporting down-dip continuity of the Boo-Loo magnetite mineralisation (Figure 16).

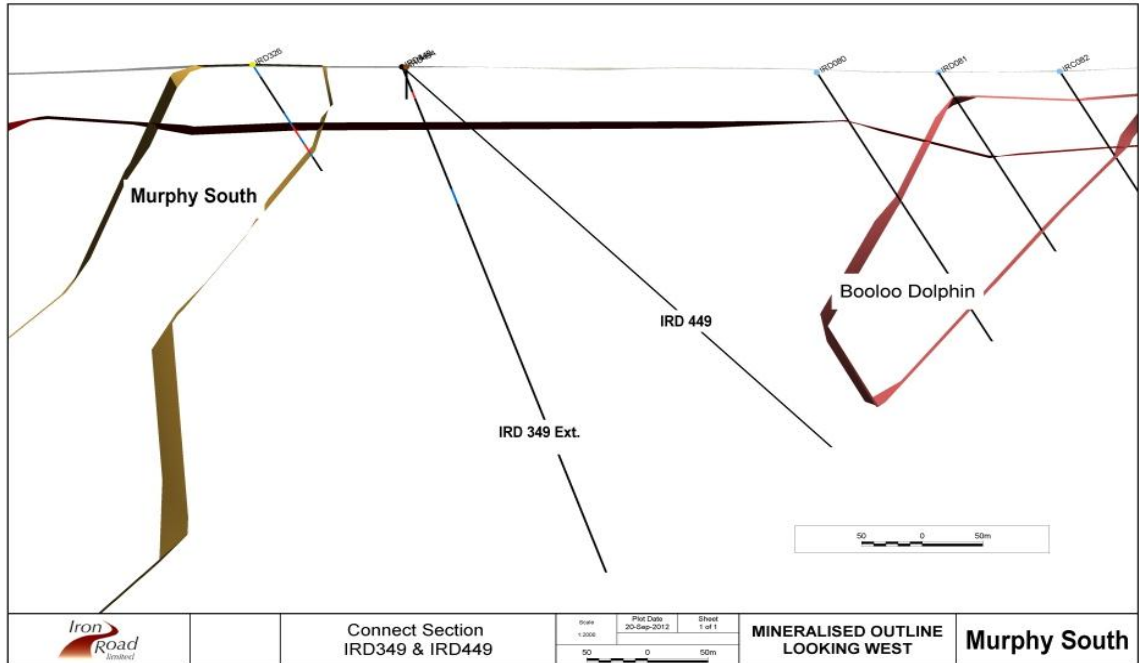


Figure 16 Boo Loo – Murphy South Gap drilling programme cross-section looking west



Figure 17 Stage VII Diamond drilling– Rob Roy Prospect

### **Community Engagement**

Following the successful Focus Groups involving community, local Council, business representatives and Iron Road, the Company is now forming a Community Reference Group to discuss all aspects of the Central Eyre Iron Project (CEIP) and the Company's Mining Lease Proposal when formally lodged.

The Community Reference Group will comprise community members, landowners, Council and business representatives, Government representatives and Iron Road personnel and be led by an independent Chairperson. The Group will enable more in depth discussion about the CEIP and continue the sharing of knowledge, information and ideas that began with the Focus Groups.

Community Engagement Group Australia (cega) conducted an audit of the Company's community engagement program. Audit results were presented to the mining regulators – the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE). The audit confirmed the Company's commitment to engaging with the community and stakeholders and provided a plan for the next phase of engagement.

An office at the Wudinna Telecentre was established by Iron Road and is staffed two days per fortnight.

Iron Road representatives attended the Eyre Peninsula Field Days in Cleve in August, welcoming the opportunity to discuss the CEIP and concerns, benefits and challenges with the wider community. The Company continued to support various community events including the Wudinna Family Day and Wudinna Show, the "Ride Safe Warrambo" workshops and was a major sponsor of the Wudinna Area School's Pedal Prix teams.



**Figure 18**

**Iron Road sponsored several events at the Wudinna Show**

### **South Australia – Gawler Iron Project**

The Gawler Iron Project scoping study commenced with the development of a study schedule and budget. The study is scheduled for completion mid-2013 at a cost of approximately \$2.5m and will examine the feasibility of an iron ore mining operation producing 1-2 million tonnes of iron concentrates per annum.

Tender documents have been prepared and issued for drilling and an application for drilling activities lodged with DMITRE. Diamond drilling is planned to be completed as a priority, enabling early commencement of the metallurgical test programme and despatch of samples to Europe for testing by equipment suppliers. RC drilling is also planned to commence following the diamond drilling programme. Loesche GmbH has commenced a technical review of the project prior to the receipt of bulk samples required for equipment selection and sizing.



**Figure 19** Modular containerised mineral processing systems will be considered during the Gawler scoping study.

## **CORPORATE**

### **Capital Raising**

Iron Road completed an underwritten share entitlement offer of 31 for 40 new shares at an offer price of \$0.32 per share to raise \$40 million (before costs). This offer comprised of an Institutional component of 19,425,815 shares and a Retail component of 105,510,292 shares.

Settlement of the Institutional and Retail Offers was finalised in August and September respectively. The raising of funds allows Iron Road to continue the significant progress made to date on the Definitive Feasibility Study for the expanded Central Eyre Iron Project, as well as the scoping study for the smaller Gawler Iron Project.

### ***Board Changes To Drive Next Stages Of Development***

The company was pleased to appoint Mr Peter Cassidy to the Board, to take up the role of Chairman.

The appointment of Mr Cassidy as Chairman increased the level of expertise on Iron Road's Board as the Company takes the necessary steps to transform into a significant iron ore project developer. Mr Cassidy is a co-founder and Chairman of resources investment fund The Sentient Group, Iron Road's majority shareholder. He is also Chairman of Enirgi Group Corporation and a director of Xinli Titanium. Prior to joining Sentient, Mr Cassidy established AMP Life's private equity division.

Mr Julian Gosse will continue to serve on the board as a non-executive director, whilst Mr Mathew Keegan stepped down to pursue other interests which require a significant time commitment.



## ADDITIONAL INFORMATION – Glossary

**DTR** – Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist mineral body assessment for magnetite, hematite or combinations thereof.

**XRF** – X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).

**Hematite** – Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide ( $\text{Fe}_2\text{O}_3$ ), one of several iron oxides.

**Magnetite** – Magnetite is a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula  $\text{Fe}_3\text{O}_4$  and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

**Aeromag survey** – Short for aeromagnetic survey, an aeromag survey is a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

**Gravity survey** – A geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

**LiDAR** – Light Detection and Ranging. LiDAR is an active remote sensing system that uses a laser light beam to measure vertical distance from the features of interest.

**Martite** – The name given for Hematite pseudomorphs after Magnetite. More simply put primary magnetite that has been totally replaced by secondary hematite through oxidation.

**Specularite** – A black or gray variety of hematite with brilliant metallic luster, occurring in micaceous / foliated masses or in tabular or disk-like crystals. Also known as specular iron.

**HBF** – Horizontal Belt Filters are commonly used vacuum filters due to their flexibility of operation and suitability to handle large throughputs.

CEIP JORC Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	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
<b>Total</b>		<b>2,104</b>	<b>16.2</b>	<b>52.9</b>	<b>12.7</b>	<b>0.08</b>	<b>1.0</b>

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

### Competent Person's Statement

The information in this report that relates to Exploration Results and the exploration target at Murphy South 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 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 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 Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane 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 Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Figure 20 Location of Iron Road's South Australian projects

The information in this report that relates to exploration targets 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. 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 prospect.

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

IRON ROAD LIMITED

ABN

51 128 698 108

Quarter ended ("current quarter")

30 September 2012

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000 (3 months)
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(6,915)	(6,915)
(b) development	-	-
(c) production	-	-
(d) administration	(523)	(523)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	54	54
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other GST to be recouped	(42)	(42)
<b>Net Operating Cash Flows</b>	<b>(7,426)</b>	<b>(7,426)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	8	8
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>8</b>	<b>8</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(7,418)</b>	<b>(7,418)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(7,418)	(7,418)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	39,964	39,964
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(1,722)	(1,722)
	<b>Net financing cash flows</b>	38,242	38,242
	<b>Net increase (decrease) in cash held</b>	30,824	30,824
1.20	Cash at beginning of quarter/year to date	6,500	6,500
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	37,324	37,324

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	136
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	7,220
4.2 Development	-
4.3 Production	-
4.4 Administration	710
<b>Total</b>	<b>7,930</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,418	2,623
5.2 Deposits at call	35,906	3,876
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>37,324</b>	<b>6,499</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

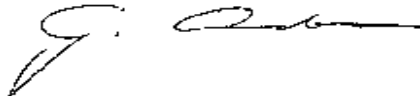
	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	286,143,416	286,143,416		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	124,936,143	124,936,143	32 cents	Fully paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	7,125,000 7,500,000 2,000,000 3,000,000 625,000 625,000 625,000 625,000 500,000 100,000 100,000 100,000		<i>Exercise price</i> \$0.20 \$0.35 \$0.20 \$0.35 \$0.20 \$0.25 \$0.30 \$0.35 \$1.00 \$1.00 \$1.25 \$1.50	<i>Expiry date</i> 22/1/13 22/1/13 10/3/13 6/8/13 15/12/14 15/12/14 15/12/14 15/12/14 25/07/16 24/08/16 24/08/16 24/08/16
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> <i>(totals only)</i>		
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**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not\* (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 October 2012  
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS ANDERSON

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.