

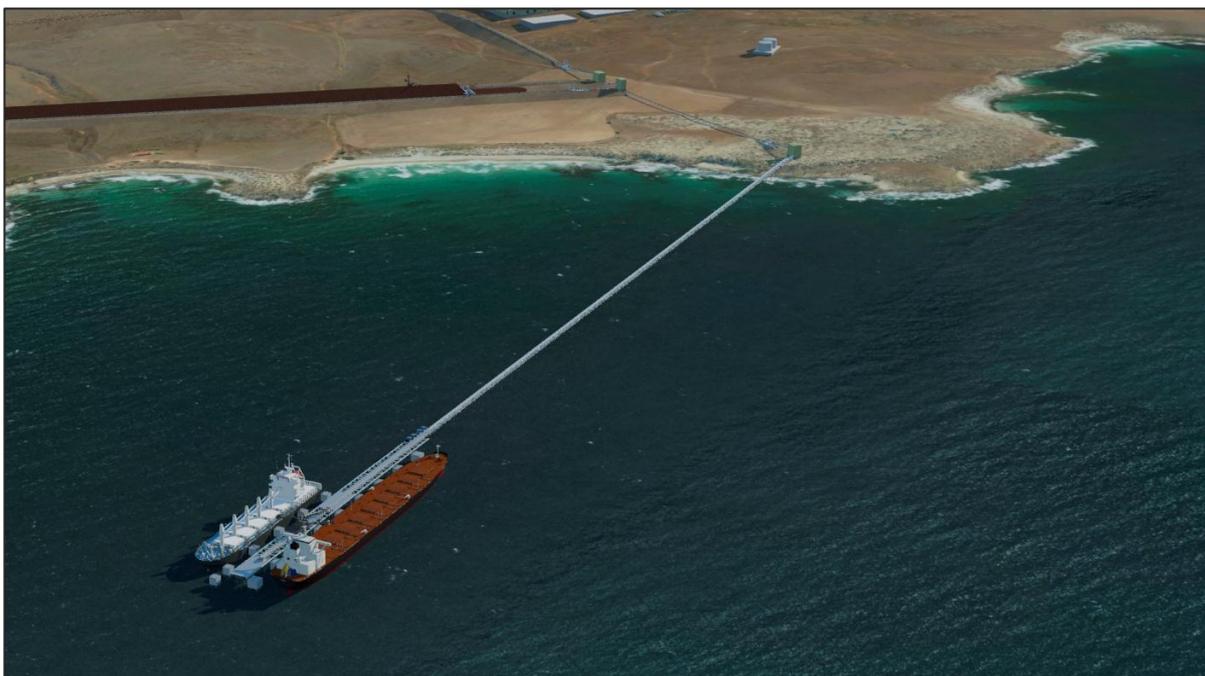
IRON ROAD ANNOUNCES PROPOSED EXPORT SOLUTION

New Port Option to Open South Australia to Capesize Bulk Carriers

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce details of a proposed export infrastructure solution for the Central Eyre Iron Project (CEIP) with significant positive implications for the State of South Australia.

Highlights

- Iron Road has secured sufficient land at Cape Hardy on the east coast of the Eyre Peninsula for a proposed deep water, 30Mtpa bulk export port facility, capable of loading various size bulk carriers, including Capesize vessels.
- The Company plans to export 20Mtpa of high quality iron concentrates for at least 30 years. Initial CEIP export requirement allows for an additional 10Mtpa of capacity for third-party users from inception of operations at the port facility.
- Port design supports straightforward expansion beyond initial 30Mtpa capacity with minimal impact.
- Site selected after review of alternatives and a requirement to fulfil a number of environmental, community, technical and economic criteria.
- Proposed port will fulfil the export infrastructure requirements of the Definitive Feasibility Study (DFS) currently underway for the CEIP.
- Standard gauge heavy rail to deliver product from mine to port, with route options to potentially allow future connection into the national rail network. This future connection would unlock a cargo catchment from 25% of the Australian landmass.
- The CEIP is South Australia's largest resources project since Olympic Dam and could ultimately deliver around one billion tonnes of high quality concentrates.



Artist's rendering of Handymax and Capesize Vessel docked at proposed port for loading

Iron Road Managing Director, Mr Andrew Stocks said the selection of the preferred export infrastructure and port location brought into clear focus an essential component of Iron Road’s vision for the Central Eyre Iron Project.

“This is a key step in realising our vision of becoming a trusted and reliable supplier of premium iron concentrates to the Asian marketplace.

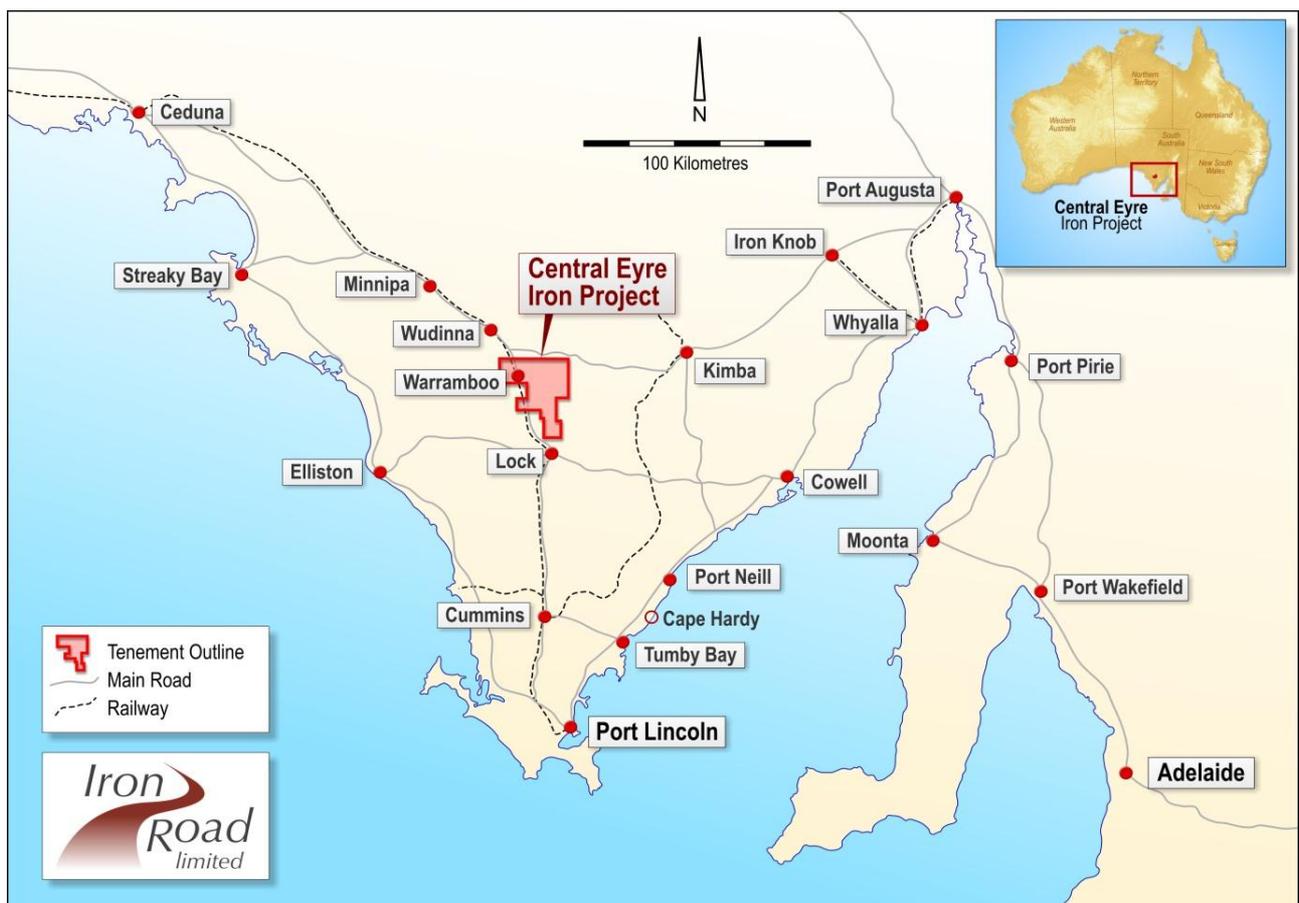
“Iron Road’s option for a port location would admirably serve the export requirements of the Central Eyre Iron Project, with a short rail route, naturally sheltered all year loading conditions with minimal local environmental impact.

“The final estimated capital costs will be determined upon conclusion of our Definitive Feasibility Study, but early indications are that the port, if approved, will be a cost competitive development.

“Compared to other developments in Australia, we would not require a costly breakwater and only minimal marine construction, with a simple finger jetty being suitable to service loading requirements. The natural deep water location also removes any requirement for dredging.

“The possibility of bringing in third-party users for a third of the initial capacity, or a third-party specialist port operator on a build and operate basis, has significant potential to further enhance the economics of a port at Cape Hardy.”

About the proposed port development



Location of the Central Eyre Iron Project and Cape Hardy

Site selection

The total area of land secured by Iron Road for the proposed facility is approximately 1,100 hectares. The land parcel rests within a natural amphitheatre, with a rise traversing the western boundary, providing a visual and sound barrier.

This is a large enough area to provide options for locating infrastructure, third-party product storage and access routes that would address stringent environmental requirements and meet community expectations.

Rail route options would be designed to minimise distance to connect to the national rail network, potentially realising a cargo catchment area from 25% of Australia's landmass.

The site was chosen as a suitable location to develop a port capable of servicing a range of vessels up to Capesize. If approved, the proposed port development could be the only Capesize port in South Australia.

A number of ~~other~~ port options on the east coast of the Eyre Peninsula have been proposed by others to service the region's growing number of mining and primary industry exporters. Environmental, community, technical and economic challenges related to each of these options were carefully reviewed before Iron Road settled on its preferred site at Cape Hardy.



Land secured outlined in red, proposed infrastructure in white

Conceptual design

The CEIP requires a port facility capable of loading 20Mt of magnetite iron concentrate per annum.

The concept design proposal includes a jetty and wharf 1.6km long to reach a water depth of about 20m in order to service various sizes of vessels. This improves the opportunities for a multi-use facility catering for a range of bulk commodities from the mining and agriculture sectors.

Anticipated vessel sizes include:

- Capesize vessels with a displacement of over 200,000 dead weight tonnes (dwt), a length of about 315 metres, a beam of 50 metres and draft of 18.5 metres.
- Panamax vessels with a displacement of 60,000 – 70,000 dwt, a length of about 220 metres and a beam of about 32 metres.
- Handymax vessels with a displacement of 40,000 – 50,000 dwt, a length of about 190 metres and a beam of about 29 metres.

Environmental considerations for the concept design includes:

- Minimising impact on the foreshore interface.
- Reducing risk of product spillage.
- No dredging.
- Avoiding marine parks.
- Avoiding aquaculture areas.
- Avoiding reef structures.
- Avoiding sensitive seagrass areas.

The proposed port landside has established agriculture and narrow foreshore vegetation that will be passed over by the elevated load-out jetty. Iron Road will continue to address environmental considerations during the course of regulatory and stakeholder discussions.

The layout of the proposed facility considers the natural wave patterns for the berthing of vessels, allowing for high operational availability. The initial design capacity of the proposed port will provide for an additional 10Mtpa to be utilised by third parties for the export of products from the time the facility is commissioned.

The concept design supports straightforward expansion beyond initial 30Mtpa capacity with minimal impact, allowing for expansion of Iron Road's iron concentrate exports and further third-party access beyond initial allocations.

Employment and Economic Benefits

Iron Road expects to export 20Mtpa of iron concentrates over a period of more than thirty years. Employees along with local and regional businesses will benefit from the various elements of the Central Eyre Iron Project. If approved, the construction of the port will require approximately 250 workers and, once in operation, approximately 25 full time employees.

| | Construction | Operations |
|--------------|---------------|------------|
| Mine | + 1,000 | 550 |
| Rail | 350 | 25 |
| Port | 250 | 25 |
| TOTAL | +1,600 | 600 |

An employment multiplier of four, commonly quoted for resources projects, predicts another 1,800 indirect jobs as result of the Central Eyre Iron Project.

Community and stakeholder engagement

Securing sufficient land, allowing for expansion and third party facilities, is the first step in the process of developing Iron Road's option for a port on the Spencer Gulf.

Input from all stakeholders will be sought during the development of the proposal, formally commencing during February 2013 with a wide consultation programme planned.

The Company anticipates that stakeholders are likely to be particularly interested in the design of key components of the facilities and optimisation of positive environmental outcomes. Local knowledge will be harnessed to best understand other land uses and Iron Road is looking forward to working with all stakeholders, including State, Federal and Local Governments to maximise the benefits of this exciting venture.

-ENDS-

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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.

* 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/Rob Roy 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". Coffey 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 Resources estimated for the Boo-Loo and Murphy South is based on and accurately reflects information compiled by Mr Ian MacFarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Fellow 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". Coffey Mining 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 Resources estimated for the Rob Roy is based on and accurately reflects information compiled by Ms Heather Pearce, who is a full time employee of Iron Road Limited. This estimation was peer review by Dr Isobel Clark of Xstract Mining Consultants. Dr Clark has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which she 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". Xstract Mining Consultants consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

| CEIP Global Mineral Resource | | | | | | | |
|------------------------------|----------------|--------------|-----------|----------------------|------------------------------------|-------------|------------|
| Location | Classification | Tonnes (Mt) | Fe (%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P (%) | LOI (%) |
| Murphy South / Rob Roy | Indicated | 1,108 | 16.0 | 53.2 | 12.9 | 0.08 | 0.4 |
| | Inferred | 1,161 | 16 | 54 | 13 | 0.08 | 0.9 |
| Boo-Loo | Inferred | 328 | 17 | 52 | 11 | 0.09 | 2.1 |
| Total | | 2,597 | 16 | 53 | 13 | 0.08 | 0.8 |

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (Murphy South and Boo-Loo) and Iron Road Limited with peer review by Xstract Mining Consultants (Rob Roy).