

CENTRAL EYRE IRON PROJECT

Infill Resource Conversion Drilling Commences

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce that the Murphy South infill drilling programme has commenced.

Highlights

- Infill drilling programme comprises 16 inclined diamond drill holes situated within Murphy South.
- Drilling utilising five diamond rigs on a closely spaced grid with 5,600m drilling planned.
- Data from the drilling will allow for a representative variography model to be constructed and applied to future resource estimates with the aim of upgrading mineral resource categories.
- The current mineral resource at the CEIP is 2.60Bt @ 16% iron. Of this 2.27Bt is currently delineated at Murphy South - Rob Roy and categorised as 51% Inferred and 49% Indicated.
- The programme is designed to significantly increase the proportion of resources in the higher confidence **measured** category, from the current level of 51%.
- A definitive feasibility study is in progress examining production of high quality concentrate of about 67% iron at a relatively coarse size distribution of -106µm (80% passing).



Figure 1

Infill diamond drilling at Murphy South

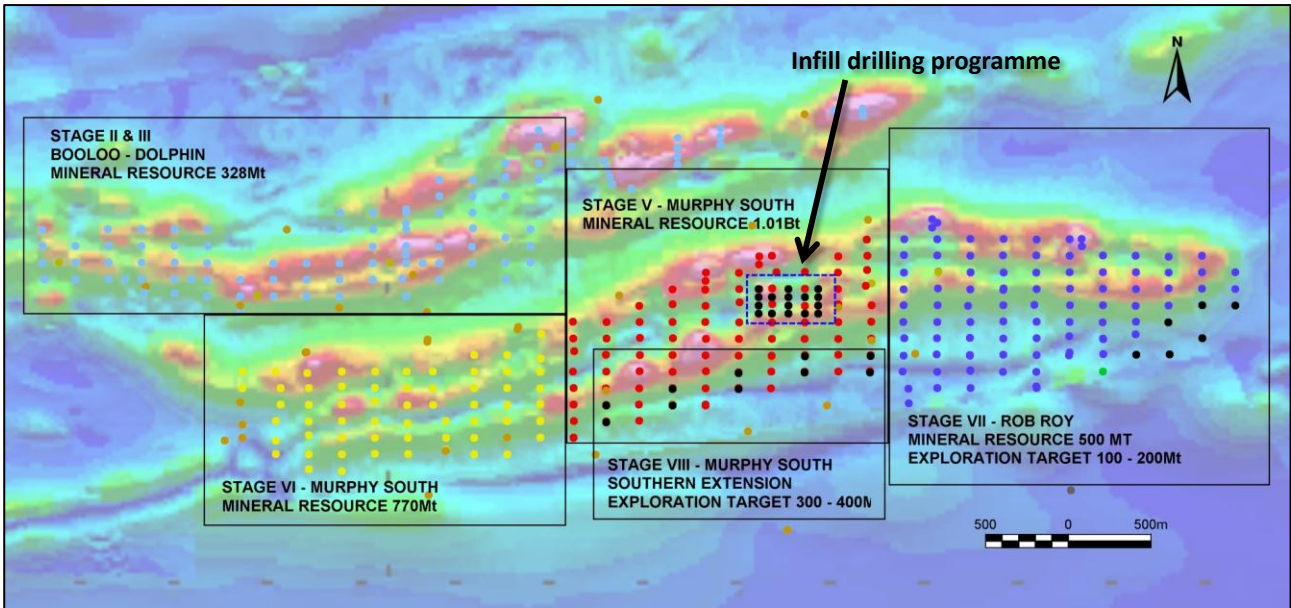


Figure 2 – Plan view of CEIP Boo-Loo - Dolphin, Murphy South and Rob Roy drilling programmes. Murphy South infill drilling programme is situated centrally within the Murphy South Stage V drilling area.

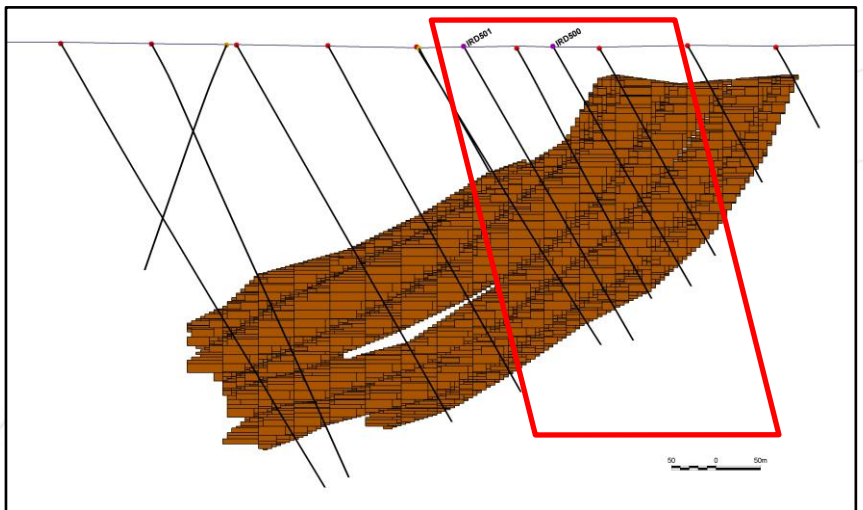
The Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) of South Australia approved the application for a drilling programme of 16 inclined diamond drill holes at Murphy South (Figure 2).

Drilling of the programme has commenced and consists of five traverses, to achieve a 50m x 50m pattern. This work will allow for the construction of a variography model and subsequent conversion of Mineral Resource categories based on advanced geostatistical analysis under the supervision of Xstract Mining Consultants.

Diamond drilling from surface will utilise triple tube methods to ensure sampling of the oxide and transitional (just above the top of the fresh rock) mineralisation is representative. Fresh rock will be drilled in a consistent manner to previous resource definition programmes (NQ2 size core). The Infill Drilling programme will be sampled at one metre intervals for resource modelling. Drill holes range from 280m to 450m in depth and will result in a 50m x 50m pattern over an area of 400m x 150m.

A cross-section through the programme area is shown in Figure 3, incorporating the existing indicated Mineral Resource block model.

Figure 3- Section 562340E looking west showing the current resource block model with the Infill drilling area delineated by the red polygon.



The definitive feasibility study underway envisages producing 20 million tonnes per annum of premium value, 67% iron concentrate for a minimum 30 year mine life. It is Iron Road's intention to ultimately delineate source material for 1 billion tonnes of 67% iron concentrate, providing the flexibility to extend the life and implement expansion options over time for the benefit of Iron Road shareholders, the communities of the Eyre Peninsula and the state of South Australia.

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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/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 global 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.

Attachment 1 – Mineral Resource Estimates

Murphy South / Rob Roy Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	1042	16	54	13	0.08	0.4
	Transitional	32	16	51	14	0.05	5.5
	Oxide	87	16	51	14	0.05	5.8
<i>Total Inferred</i>		1,161	16	53	13	0.08	0.9
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/Rob Roy	2,269	16	53	13	0.08	0.7

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

Boo-Loo Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Inferred	Fresh	277	17	52	12	0.01	0.5
	Transitional	13	17	52	12	0.09	10.7
	Oxide	38	17	52	12	0.09	10.8
Total		328	17	52	12	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/Rob Roy	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
	Inferred	1,160	16	53	13	0.08	0.7
Boo-Loo	Inferred	328	17	52	11	0.09	2.1
Total		2,597	16	53	13	0.08	0.7

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