

3.7 BILLION TONNES IN RESOURCES ACHIEVED AT CENTRAL EYRE IRON PROJECT

Now the Largest Measured + Indicated Magnetite Resource in Australia

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce an additional one billion tonnes in Mineral Resources have been added to the Central Eyre Iron Project (CEIP), increasing from 2.6 billion tonnes to 3.7 billion tonnes at a grade of 16% iron. Importantly, the Measured and highest confidence level part of the resource now makes up 2.2 billion tonnes or 60% of the overall Mineral Resource.

This resource upgrade places Iron Road in a strong position as the Company advances towards the final phase in CEIP's development of project financing arrangements and commencement of construction.

Highlights

- Global Mineral Resource for CEIP increases by 42% to 3.69Bt at a grade of 16% iron for the Warramboe mineralisation (refer to table page 2 and appendices).
- The Mineral Resource now contains 2.7Bt in the Measured and Indicated categories (at a grade of 15.7% iron) that is eligible for conversion to a Mining Reserve (under the JORC Code), allowing the ongoing Definitive Feasibility Study to envisage a long life mining operation.
- CEIP has the largest Measured + Indicated magnetite resource in Australia – whilst test work also indicates the project is one of the **easiest** to process with significantly less grinding required than other large scale projects.
- Globally, the project now ranks in the **Top 20** of magnetite projects alongside producing projects from Russia and the Ukraine together with advanced development projects in Canada.
- This significant Mineral Resource upgrade reinforces the belief that CEIP has the potential over time to produce one billion tonnes of high grade iron concentrate.
- The upgrade demonstrates the potential for a long mine life that is expected to impact positively on discussions with development and financing partners, whilst also enhancing the potential returns from the associated rail and port infrastructure.



Figure 1

Resource drilling at the Warramboe area of the CEIP

CEIP Global Mineral Resource						
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)
Murphy South/Rob Roy	Measured	2,222	15.69	53.70	12.84	0.08
	Indicated	474	15.6	53.7	12.8	0.08
	Inferred	667	16	53	12	0.08
Boo-Loo	Inferred	328	17	52	12	0.09
Total		3,691	16	53	13	0.08

The updated Mineral Resource estimate for the Murphy South – Rob Roy prospect was completed by Heather Pearce following the guidelines of the JORC Code (2012) and intensively peer reviewed by Xstract personnel including Dr Isobel Clark, Kevin Lowe and Michelle Smith. The Mineral Resource Estimate for Boo-Loo was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

CEIP Indicative Concentrate Specification – 106 micron (p80)			
Iron (Fe)	Silica (SiO ₂)	Alumina (Al ₂ O ₃)	Phosphorous (P)
67%	3.3%	1.9%	0.005%

Iron Road Managing Director, Mr Andrew Stocks, said that the large size of the resource, particularly the measured component, placed the CEIP not only as South Australia’s leading resources development but as a project of global significance.

“Following an additional one billion tonnes weighing into resources at the CEIP, we are now well and truly topping the scales with a 3.7 billion tonne resource. However, the significant aspect of this upgrade is the considerable Measured and Indicated tonnage, as it is only these two categories that are investigated for conversion to Reserves. The CEIP now has the largest combined Measured and Indicated magnetite resource in Australia,” said Mr Stocks (Figure 3).

“Due to the distinctive nature of the mineralogy we believe the project will be one of the easiest magnetite projects to process in the world today, it certainly has clear advantages over the very hard and fine-grained banded iron formations prevalent in Western Australia.

“The project keeps delivering in line with our expectations. We are confident that we will ultimately achieve the upper end of our original exploration target established back in 2009, when we stated there was an exploration potential of 2.8-5.7 billion tonnes at CEIP (refer page 5).

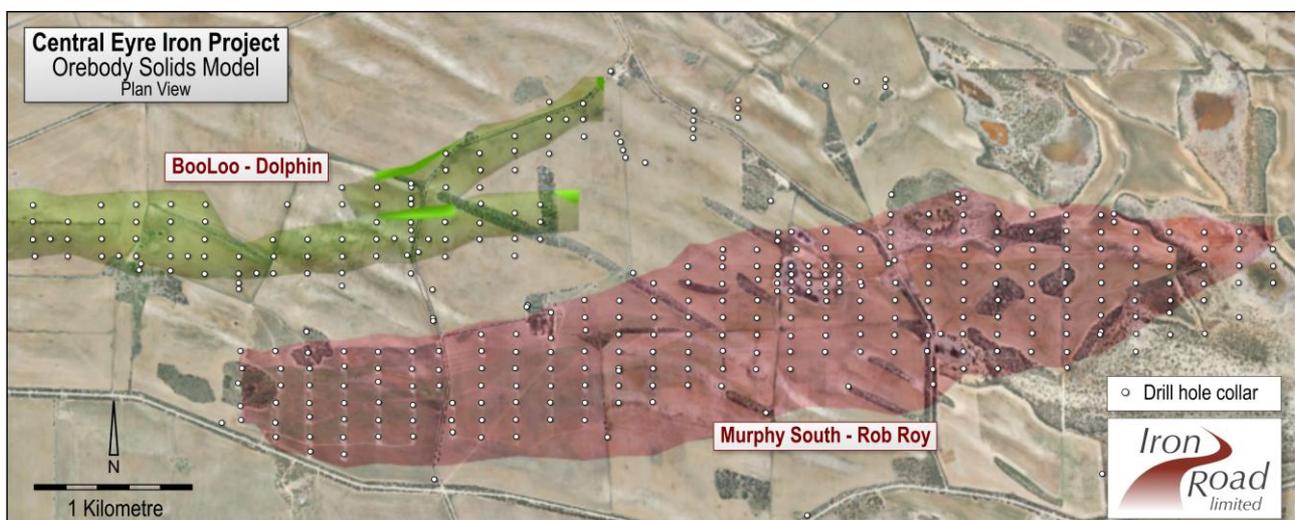


Figure 2

Drill hole locations in the Warramboe area of the CEIP

“We’ve also added the additional tonnes and the increased confidence in a very cost effective manner, at a gross cost of just 0.67 cents per tonne. This is excellent value for shareholders. The increased resource base means we can enter the final phase of development with confidence in the capability of the deposit to underpin viable iron concentrate export and infrastructure businesses.

“This release is a great result for the future of the CEIP and we look forward to continuing to deliver significant milestones as we head towards completion of the Definitive Feasibility Study around the end of 2013.

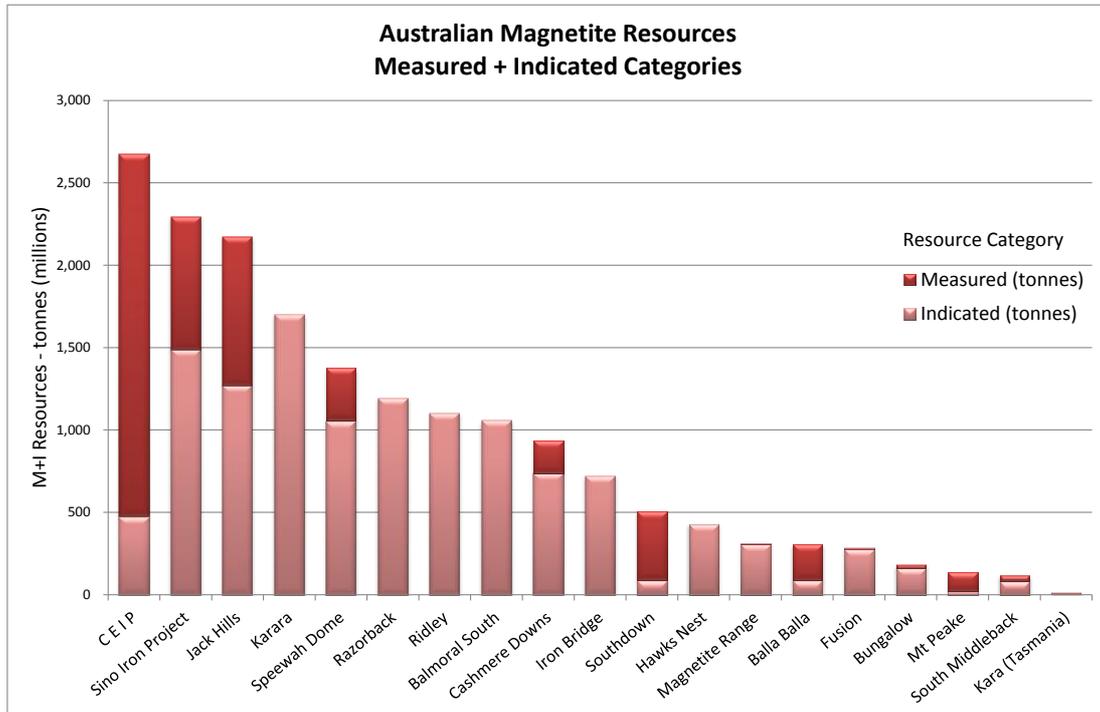


Figure 3

Source: Public company reports

“The Definitive Feasibility Study is a very significant endeavour, taking into account not only mining and beneficiation but also rail, port and social infrastructure as well as marketing and various impact assessments. At its conclusion, the report will represent the work and input of well over 300 professional contributors covering all aspects of the project. With such a robust resource underpinning the CEIP, we intend to deliver a world class result that will transition us smoothly into financing, procurement, construction and ultimately production,” said Mr Stocks.

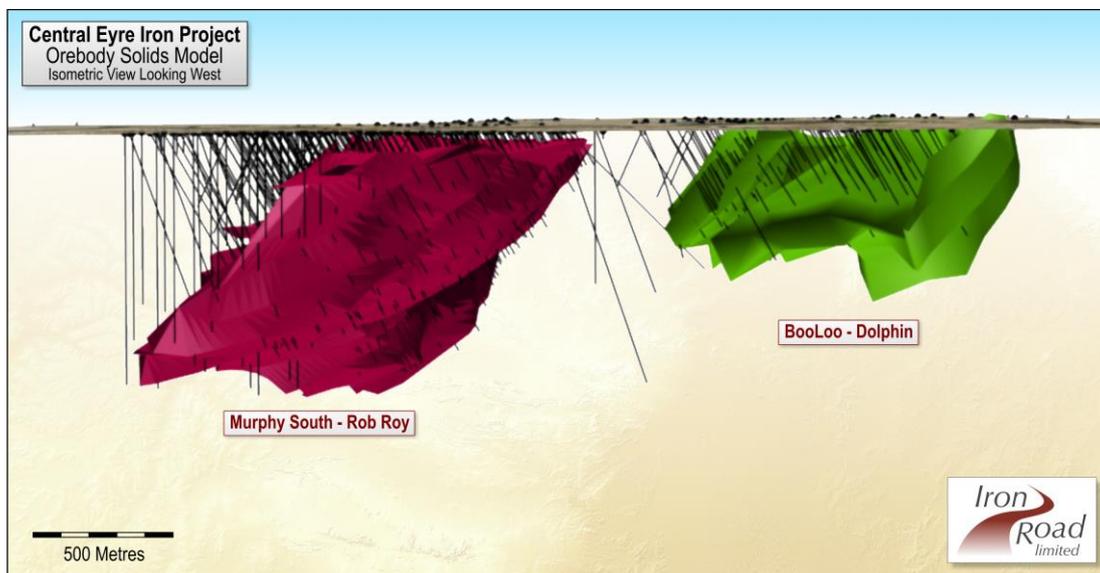


Figure 4 Cross section through Murphy South - Rob Roy and Boo-Loo – Dolphin areas

The Murphy South/Rob Roy Mineral Resource that was estimated by Iron Road Limited and peer reviewed by Xstract Mining Consultants Pty Ltd is summarised in the table below. Full details can be found in Attachment 2.

Murphy South - Rob Roy Mineral Resource Estimate Upgrade (fresh material only)							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South – Rob Roy (Fresh)	Measured	2,222	15.69	53.70	12.84	0.08	4.5
	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	548	16	53	12	0.09	4.0
Total Murphy South - Rob Roy		3,244	16	54	13	0.08	4.0

The updated Mineral Resource estimate for the Murphy South – Rob Roy prospect was completed by Heather Pearce following the guidelines of the JORC Code (2012) by and intensively peer reviewed by Xstract personnel Dr Isobel Clark, Kevin Lowe and Michelle Smith (refer attachment 2).

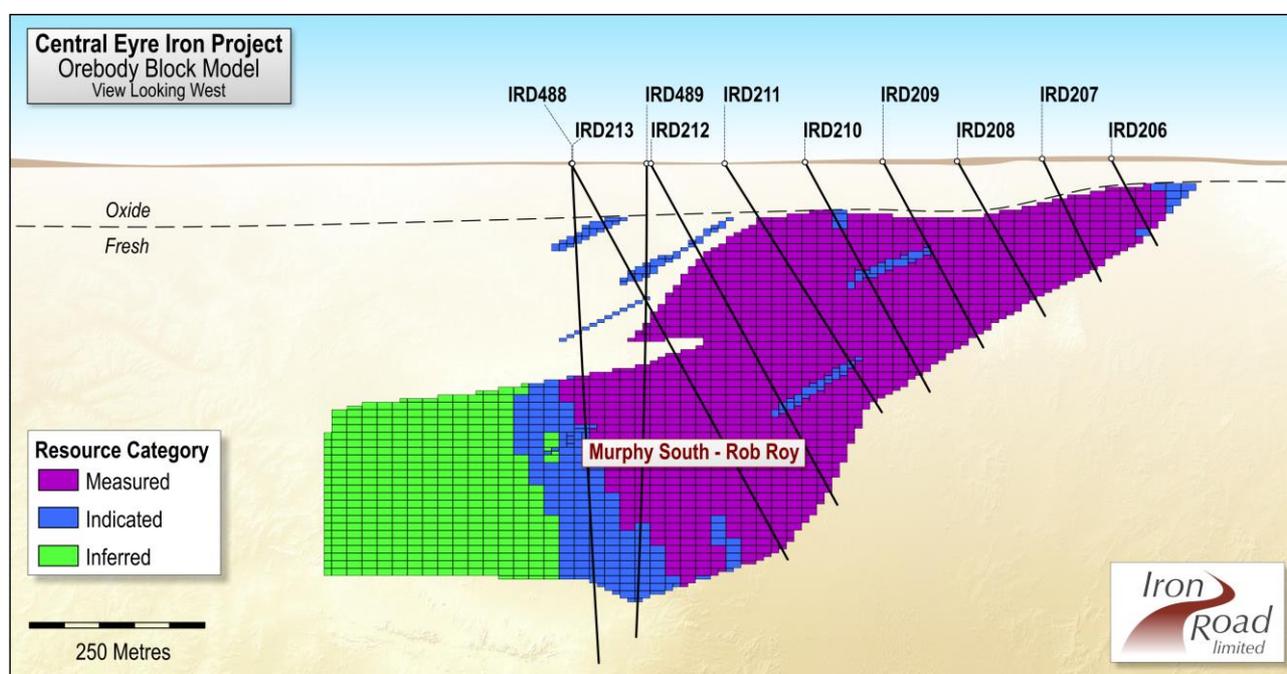


Figure 5 Cross section through Murphy South - Rob Roy Resource block model

-ENDS-

For further information, please contact:

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Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. The wholly owned CEIP 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*.

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 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 prospect 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 Murphy South – Rob Roy prospect 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 2012 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

CEIP Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South/Rob Roy	Measured	2,222	15.69	53.70	12.84	0.08	4.5
	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	667	16	53	12	0.08	4.3
Boo-Loo	Inferred	328	17	52	12	0.09	2.1
Total		3,691	16	53	13	0.08	4.3

The Murphy South/Rob Roy mineral resource estimate was carried out following the guidelines of the JORC Code (2012) by Iron Road Limited and peer reviewed by Xstract Mining Consultants (Rob Roy) – refer Attachment 2. The Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

CEIP Indicative Concentrate Specification – 106 micron (p80)			
Iron (Fe)	Silica (SiO ₂)	Alumina (Al ₂ O ₃)	Phosphorous (P)
67%	3.3%	1.9%	0.005%

Murphy South - Rob Roy Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Measured	Fresh	2,222	15.69	53.70	12.84	0.08	4.5
Indicated	Fresh	474	15.6	53.7	12.8	0.08	4.5
Inferred	Fresh	548	16	53	12	0.09	4.0
	Transitional	32	16	51	14	0.05	5.5
	Oxide	87	16	51	14	0.05	5.8
Total		3,363	16	53	13	0.08	4.5

The Murphy South/Rob Roy mineral resource estimate was carried out following the guidelines of the JORC Code (2012) by Iron Road Limited and peer reviewed by Xstract Mining Consultants (Rob Roy) – 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	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 Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

24 May 2013

Milo Res
Geology Manager
Iron Road Ltd
Level 6 30 Currie Street
ADELAIDE 5000
South Australia

Dear Milo,

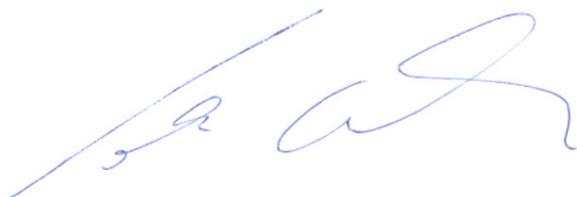
Re: Resource Estimation for the Murphy South/Rob Roy Magnetite Prospect

An updated Mineral Resource estimate for the mineralisation of the Murphy South/Rob Roy prospect has been completed by Heather Pearce and intensively reviewed by Xstract personnel including myself, Kevin Lowe and Michelle Smith. The statement as of 24th May 2013 is tabulated overleaf with accompanying remarks.

The information in the technical report prepared by Ms Pearce has been reviewed, discussed and approved by Dr Isobel Clark, who is a Fellow of the Australasian Institute of Mining and Metallurgy. This work was completed under contract to Xstract Mining Consultants based in Perth, Western Australia.

Dr Clark has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

For and on behalf of Xstract Mining Consultants



Isobel Clark PhD FS FIMMM FSAIMM FAusIMM CEng MMSA(QP)

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XstractGroup.com

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Central Eyre Iron Project												
Murphy South/Rob Roy Prospect												
Murphy South/Rob Roy Mineral Resources (Fresh Material) - May 2013												
Cutoff of 12% Fe Applied												
Resource Classification	Material Type	Tonnage (Mt)	Fe(%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P	LOI_1000	CaO	MgO	MnO	S	TiO ₂
Measured	Fresh	2,222	15.69	53.70	12.84	0.08	0.45	1.26	2.50	1.69	0.01	0.57
Indicated	Fresh	474	15.6	53.7	12.8	0.08	0.45	1.4	2.6	1.6	0.02	0.5
Inferred	Fresh	548	16	53	12	0.09	0.4	1	3	1	0.02	0.6
TOTAL	Fresh	3,244	16	54	13	0.08	0.4	1	3	2	0.02	0.6

Note: precision of figures as recommended within JORC classifications.

Notes:

- Drilling coverage for the 10 fields estimated follows north/south section lines at 200m separation drilled at 100m centres. Drillholes are either vertical or dip uniformly 60° down in a northerly direction. All drillholes in the fresh material were NQ2 diamond drill cores predominantly sampled on 4m lengths.
- Increased knowledge of the geological environment and previous experience with the Murphy South and Rob Roy mineralisation were used to construct a major wireframe for the mineralised volume. The additional drilling conducted included a program that defined the eastern extent of the mineralisation and a program that confirmed the southerly extension of the mineralisation. A program of infill holes were also drilled to a 100m x 50m drill pattern. The results of the drilling were used to construct variograms for the determining the behaviour of the mineralisation over various ranges. The resultant kriging parameters were used for the estimation of the Fe grade. Wireframes were also constructed for a cohesive waste zone within the main mineralised zone and minor footwall mineralised zones.
- Statistical analyses on the composites and variography were carried out and used for the estimation process. A natural (geological) cutoff was identified at 8%Fe verifying one of the main criteria in the construction of the wireframes.
- Grade estimates were calculated on the basis of a 40m (east-west) by 20m (north-south) by 10m (elevation) parent block. Sub-blocking was used to preserve the shape of the mineralised and waste zones.
- Ordinary Kriging interpolation was used to estimate the Fe values. A multi-run approach was used with steadily increasing ellipsoid sizes to fill the block model. The first run used a search ellipsoid of 240m (east-west) by 140m (north-south) by 52m (elevation) in the plane of the major dip of the wireframed zone. Search ellipse distances were scaled up by a factor of 1 for the initial run, 1.5 for the second run and 4 for the third. A minimum of 3 holes were used in the first run, a minimum of 2 in the second and 1 core section for the third.
- Bulk density of 3.1 t/m³ was used for fresh rock.
- Decisions were made on the basis of confidence in the drilling methods, drilling density and location of holes, geological understanding and interpretation, statistical and geostatistical modelling, estimation technique and quality. The resource detailed above results from a combination of the three runs of an Ordinary Kriged Estimation for Fe and an inverse distance squared for the remaining field.