

CENTRAL EYRE IRON PROJECT INCREASES EXPLORATION POTENTIAL

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce the results of a review of the potential for iron mineralisation at the Central Eyre Iron Project (CEIP), in areas beyond the existing resource base. The review has identified a conceptual exploration potential of **8 to 17 billion tonnes of magnetite gneiss in the range of 14% to 20% iron¹**. This is in addition to the existing mineral resource estimate of **3.7 Billion tonnes at 16% iron²**.

Summary

- Conceptual exploration potential of 8 to 17 Billion tonnes of magnetite gneiss in the range of 14% to 20% iron¹ (Figure 1).
- Exploration potential is **in addition** to the mineral resource of 3.7 billion tonnes at a grade of 16% iron, with 2.7 Billion tonnes in the Measured and Indicated categories (see Table 1).
- Review supported by significant advance in geological knowledge gained from the analysis of over 500 drill holes, for over 110,000m drilling.
- Substantial exploration potential suggests additional sources of iron for future expansion and extension of mine life for mining operation currently being studied for CEIP.
- Definitive feasibility study examining integrated iron ore export business producing 20Mtpa of high quality concentrate.

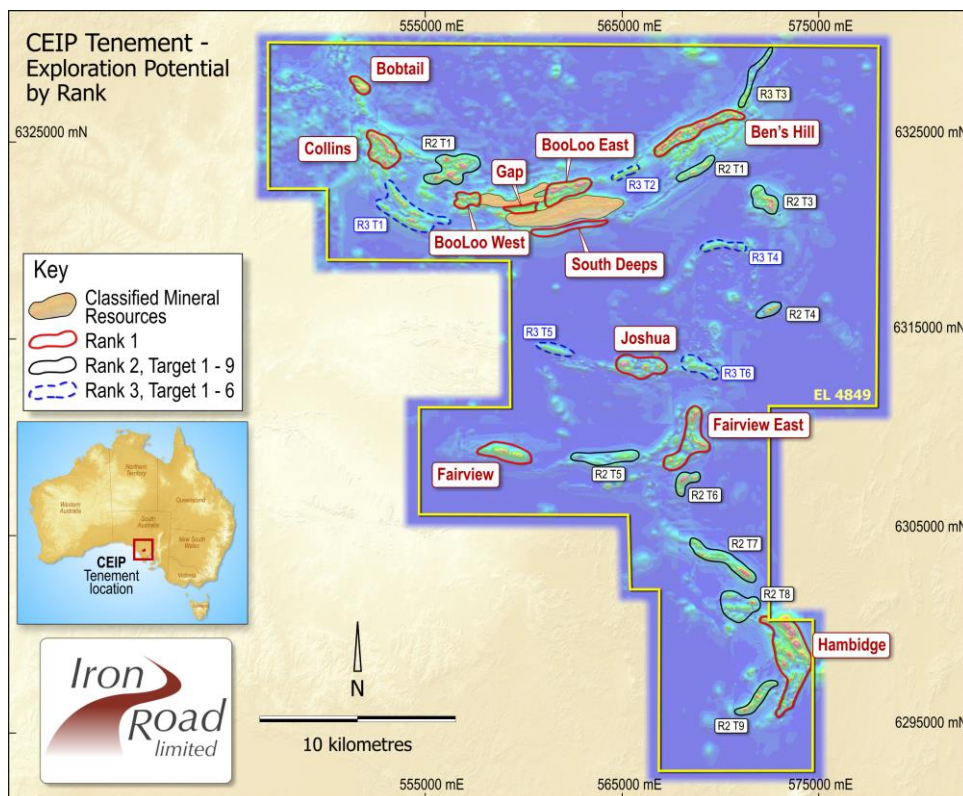


Figure 1

Exploration Potential at CEIP - Classified by Rank

¹ The information in this report relating to exploration targets should not be misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. 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 prospects.

² See Table 1 overleaf.

Table 1

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
Boo-Loo	Inferred	328	17	52	12	0.09	2.1
Total		3,691	16	53	12	0.08	4.3

The Mineral Resource estimate for Murphy South/Rob Roy was completed by Heather Pearce a full time employee of Iron Road Limited following the guidelines of the JORC Code (2004) and peer reviewed by Xstract Mining Consultants 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.

Iron Road Managing Director, Mr Andrew Stocks, said this new understanding of the CEIP mineralisation highlighted the potential to extend the mine life well beyond the current 20 years envisaged by the DFS.

“Since starting in 2009 with a modest resource base at CEIP and a rigorous and methodical exploration target as our roadmap, after 110,000m of drilling we’ve more than proven the enormous potential of the CEIP, with resources now touching 3.7 billion tonnes.

“As we now know, CEIP today has the largest Measured and Indicated resources of any magnetite project in Australia, and sits in the top 20 globally by tonnage. The exploration target we set out in 2009 has proven to be very accurate, with resources in each area ultimately tested shown to be in the upper range of the estimate.

“With the sizeable 3.7 billion tonne resource base now in the books, and it being some four years since we reviewed the exploration target, we’ve gone back to reassess the overall potential based on all we have learnt over the years at CEIP.

“I am pleased to say that the future potential at CEIP now looks much larger than originally thought possible.

“This enhanced exploration potential gives us the confidence to state that the CEIP holds the potential to become a very long life, large output iron project in South Australia. We are now looking at a possible multi-decade mine life, based on our updated roadmap.

“Our Definitive Feasibility Study currently underway will describe an integrated export solution for the production of 20 million tonnes per annum of high quality iron concentrates, and we can now confidently assume that the study completion late this year is just the beginning for the CEIP,” Mr Stocks said.

Details of the review for exploration potential for EL4849 are contained in Attachment 1. EL4849 is the granted exploration licence within which the CEIP is located.

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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, Kope & Hambidge.

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 -106µm grading 67% iron with low impurities.

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 prospects.



The information in this report that relates to the superseded global exploration target 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 exploration potential at the Central Eyre Iron Project is based on and accurately reflects information compiled by Mr Milo Res, who is a full time employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Res 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 Res 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 Boo-Loo 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 – Exploration Potential EL4849

An Exploration Target was released by Iron Road Limited (IRD) during September 2009. This target was 2.8 to 5.7 Billion tonnes in the range 18-25% iron and included Priority 1 and 2 ranked targets. The initial target generation was undertaken using magnetic, gravity and drilling data extracted from open file data held by DMITRE (*Coffey Mining, 2009).

The subsequent completion of eight stages of extensive drilling, predominately at the Warrambo Prospect, as well as Priority 1 ranked regional targets, has led to a greater understanding of the magnetite distribution within the gneiss units that characterise the CEIP. This combined with a detailed PhD study by the University of Adelaide, focussed on the Warrambo magnetite mineralisation, gives Iron Road a high degree of confidence with this estimation.

In late 2009 a detailed and extensive geophysical survey was conducted over six defined areas of the CEIP (see ASX release dated 19 October 2009). These areas were considered to have the potential to contain significant occurrences of magnetite gneiss and were followed up by 56 targeted reverse circulation and diamond core holes (see Table 1). The result of the drilling is detailed in the IRD ASX release dated 31 May 2011.

Target	No. Holes	Drilled metres
Collins	8	1,436
Boo-Loo East	15	2,246
Ben's Hill	9	2,336
Joshua	3	799
Fairview East	6	1,220
Hambidge	12	5,574
Hambidge North	3	883
TOTAL	56	14,494

Table 1 EL4849 Regional Drilling

These investigations confirmed that aeromagnetic anomalies are a robust indicator of magnetite mineralisation with magnetite gneiss intersected in all drill holes. The trend over the project appears to be steeper dipping mineralisation in the west with a flattening to the east. The increased detail provided by this survey and the regional drilling has led to the reassessment of the potential of each target.

The assumptions used to estimate the conceptual tonnages are:

- The Murphy South-Rob Roy Measured and Indicated Resource yielded 400Mt/km. Assuming 50% conversion for geophysical anomalies, an expectation of 200Mt/km is used for ranked targets.
- The mineralisation is projected to occur between 200m and 300m below the surface, conservative by comparison with ~600m recent drilling depths at Murphy South.
- An average depth to the fresh rock is 50m.
- The dip of the mineralisation is in a range of -40 degrees to -70 degrees.
- Thicknesses with a true width of 40 – 100m.
- An average density of the fresh rock of 3.1g/cm².
- Head grades range from 14 to 20% Fe.

Target Rank	Target ID	Strike (km)	Depth (m)
1	Bobtail	1.3	300
1	Collins	2.2	300
1	Boo-Loo West	1.1	300
1	Gap	1.6	300
1	Boo-Loo East	2.5	300
1	South Deeps	4.1	600
1	Ben's Hill	4.7	300
1	Joshua	2.6	300
1	Fairview	2.8	250
1	Fairview East	3.3	250
1	Hambidge	5.0	200
Total		31.2	
2	R2T1	3	300
2	R2T2	2	300
2	R2T3	2	300
2	R2T4	2	300
2	R2T5	3	250
2	R2T6	1	250
2	R2T7	4	250
2	R2T8	2	200
2	R2T9	2	200
Total		21	
3	R3T1	4	300
3	R3T2	2	300
3	R3T3	3	300
3	R3T4	3	250
3	R3T5	2	250
3	R3T6	2	250
Total		15	

Table 2 Aeromagnetic Targets with strike length

Based on the above assumptions, the interpreted exploration tonnage for the Ranked 1 & 2 targets is 7Bt to 13Bt³. These targets account for 52.2km in strike length.

The lower magnetic intensity targets were ranked 3 with a strike length of 15km and suggest a possible tonnage potential of 1Bt to 4Bt³.

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