

IRON ROAD SECURES 51% of GAWLER IRON PROJECT

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce that it has now secured a 51% interest in the iron rights at the Gawler Iron Project in South Australia. Iron Road has a farm-in agreement with tenement holder Dominion Mining Limited (Dominion, ASX: DOM) for the staged earn in to 90% interest in the iron ore rights at West Gawler.

The meeting of the earn in commitment follows the completion of a Stage I exploration and evaluation program consisting of aeromagnetic and ground gravity geophysical surveys followed up by reconnaissance RC drilling.

Iron Road's Managing Director, Mr Andrew Stocks, said that the results of the Stage I program were highly promising and gave the company the confidence to proceed to the next stage of evaluation at Gawler.

"Our initial program at Gawler concentrated on establishing the potential for Gawler and most importantly if the mineralisation present would be suitable for processing into a high grade concentrate," said Mr Stocks.

"Pleasingly, the results of the initial study suggest excellent beneficiation characteristics of the magnetite. Average iron content of magnetite concentrates is in the range 69-70% with minimal impurities. Most concentrates meet DR grade specifications and all meet or exceed high grade blast furnace requirements.

"Our Stage II diamond drilling program will now move to better define the structural geology and metallurgy at the known target areas, as well as test a limited number of new identified targets. I am also pleased to acknowledge the support of the South Australian Government via the PACE program for this next stage of exploration," said Mr Stocks.

Stage II drilling will be partly funded by the South Australian Government as part of the PACE Theme 2 – Drilling Collaboration between PIRSA and Industry. Only 23 projects from 63 proposals were successful and are viewed by PIRSA "as the highest quality exploration targets based on sound technical, scientific and commercial criteria".

Iron Road has met its exploration expenditure requirement for a 51% interest in the iron rights at Gawler. The remaining earn in obligation of issuing Dominion with one million Iron Road shares or cash equivalent has been satisfied with a cash payment, in lieu of issuing additional shares.



Figure 1 Location of Gawler Iron Project

Table 1

Results of DTR composites

Target	Drill hole	Interval (m)	Mass Recovery	Fe Rec. %	Conc. % Fe	Conc. % SiO ₂	Conc. % Al ₂ O ₃
Boomer	GWL020	41-161	30.1	76.1	69.9	1.3	0.9
Boomer	GWL023	43-107 116-138	33.7	76.0	69.7	1.4	1.0
NW Fingerpost Hill 1	GWL032	68-104	27.2	77.7	68.8	2.0	1.4
George Hill South 2	GWL070	40-83	23.5	71.9	70.0	1.1	0.6
Average			28.6	75.4	69.6	1.5	1.0

A follow-up metallurgical study examining four composite samples of the main magnetite ore type indicates an ideal grind size of (p80) 106 micron.

-ENDS-

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The Gawler Iron Project is located approximately 25km north of the standard gauge Trans Australian Railway that connects to the Central Australia Railway at Tarcoola and ultimately a number of ports. Iron Road has a farm-in agreement with tenement holder Dominion Mining to earn up to 90% interest in the iron ore rights at West Gawler, with the objective of expanding its footprint in the potential iron ore province. Several in-situ rock chip samples from West Gawler returned grades of >60% Fe with low silica, alumina and phosphorous indicating potential suitability for direct shipping ore (DSO).

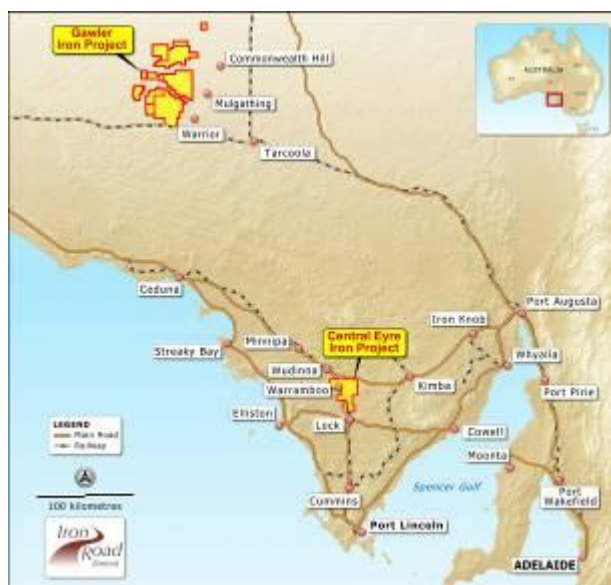


Figure 2 – South Australia project location map

The information in this report that relates to Exploration Results 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