

Clarifying Statement

Iron Road Limited (Iron Road, ASX:IRD, IRDO) provides the following clarifying statement to accompany the announcement Titled "Completion of Resource Expansion Drilling Central Eyre Iron Project, South Australia" lodged with the ASX on the 20 May 2010.

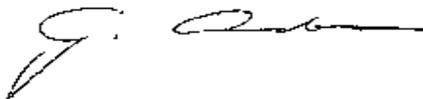
Iron Road's corporate objectives for 2010 include increasing the mineral resource across the Central Eyre Iron Project to 500Mt, outlined at the Company's 2009 Annual General Meeting. The project has an exploration target size defined by Coffey Mining to be to be between 2.8-5.7 billion tonnes of magnetite gneiss.

The potential quantity and grade of the Exploration Target in this statement is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource of this amount and that it is uncertain if further exploration will result in the determination of a Mineral Resource of this amount.

A summary of the exploration target produced by Coffey Mining is included overleaf.

Yours sincerely,

IRON ROAD LIMITED

A handwritten signature in black ink, appearing to read "G. Anderson", is written over the company name.

Graham Anderson
Company Secretary

Coffey Mining ABN 52 065 481 209
1162 Hay Street, West Perth WA 6005 Australia,
PO Box 1671, West Perth WA 6872 Australia
T (+61) (8) 9324 8800 F (+61) (8) 9324 8877
coffey.com

Memorandum

Date: 31 August 2009
Company: Iron Road Limited
Attention: Larry Ingle
From: Albert George Thamm
Subject: **Exploration Potential – Warramboe Iron Ore Project**

1 INTRODUCTION

Coffey Mining Pty Ltd (Coffey Mining) was engaged by Iron Road Limited (Iron Road) to undertake an exploration assessment of the Warramboe Iron Ore Project. Iron Road holds EL 3699 on the Eyre Peninsula, South Australia, which is being explored for iron mineralisation mostly in the form of magnetite. Coffey Mining has been asked to formulate exploration target ranges on the remainder of EL 3699, after the declaration of a maiden magnetite resource at Boo-Loo in August, 2009. In June 2008, Iron Road acquired the Warramboe Exploration Licence 3699 (area of 663km²) in its entirety from Adelaide Resources. Iron Road's objective at Warramboe is to build a Resource inventory of sufficient magnitude and tenor to warrant the development of a stand-alone mining operation.

2 GEOLOGY

The oldest rocks on the Eyre Peninsula are the Sleaford complex, comprising ortho- and para-gneisses, granite, granodiorite, felsic volcanics, phyllite, marble and magnetite rich metasediments. These rocks were deformed and metamorphosed to granulite facies mineralogy during the ~2440Ma Sleaford Orogeny. These are the basement to the Gawler Craton. The rocks that host the mineralisation have been subjected to high grade, prograde and also retrograde metamorphism and are now presented in the form of banded gneisses. Indications are that the metamorphosed host rocks were originally part of a clastic sedimentary sequence. Regolith and recent sediment thicknesses range from 10m to 100m. The oxide weathering zone averages 50m thickness. The cumulative strike length of magnetite gneisses, estimated from aeromagnetic data, is greater than 95km.

3 TARGET GENERATION

Regional magnetic and data were extracted from the South Australian State magnetic data compilation created by PIRSA (Primary Industries, South Australia). In the Warramboe area the most detailed recorded regional open file survey was Kyancutta, flown for Western Mining Corporation in 1994. Data were gridded to a 100m cell size. Later, detailed magnetic surveys were flown in four blocks covering areas prospective for magnetite mineralisation by Portman Mining during 2002. Magnetic data were

F:\MINE\Projects\Iron Road\MNS187AA_BooLoo_Resource_Estimate\Report Preparation\Text\CMWPm_MNS187AAs_agt_31Augrev1.docx

initially processed and imaged by Cowan Geodata Services. Data were gridded to a 13m cell size. Data were reprocessed as part of this study by Hawke Geophysics of Perth, West Australia. Total magnetic intensity (TMI) grids were produced. First vertical derivative and analytic signal formatted grids were also produced after additional processing.

Coffey Mining recommends the Collins, Ben's Hill, WMC Bobtail, Kopi/Fairview and Hambidge targets as initial priority targets. Additional targeting in the Central South, Arunta, Anomaly A and Fairview East areas contributes a further 13km of strike of interpreted magnetite gneiss. The conceptual targeting is based on:

- Mineralisation projected to a relative depth of -300m from ground surface.
- An average 50m oxide zone is present.
- The mineralisation dips in the range between -40 and -60 degrees.
- The mineralisation envelope has a true thickness ranging from between 40m and 70m.
- A density of 3.1 g/cm³
- Head grades range from 18-25 % Fe.

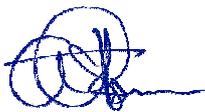
Based on the above assumptions, the interpreted exploration tonnage range for the nine above-named prospects is between 870Mt and 1,750Mt. These prospects account for 25km of the 95km (approximately) of strike length identified. These are ranked Priority 1 targets.

In addition, lower magnetic intensity targets provide an additional 54km of strike length. These are assigned as Priority 2. Using the same methodology as before, the additional conceptual exploration target for the remainder of the tenement ranges between 2,000Mt and 4,000Mt of magnetite gneiss.

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 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 prospect.

It is understood Iron Road will be independently targeting magnetite and haematite prospects on EL 3699 by undertaking additional drilling. Iron Roads' Phase 1 & 2 drilling has targeted selected anomalies in the northern part of the tenement, following up on ~5000m of drilling completed by previous tenement holders.

For and on behalf of Coffey Mining Pty Ltd



Albert George Thamm (FAusIMM - No. 203217)
Senior Consultant – Geology