

Central Eyre Iron Project

Murphy South 'Discovery Traverse' Results

Iron Road Limited (Iron Road, ASX: IRD) is pleased to advise that XRF assay and DTR results for the Stage IV 'Discovery Traverse' at Murphy South have been processed.

Summary

- Assays indicate wide continuous intervals of magnetite mineralisation suited to bulk mining by open cut methods.
- DTR test work from composite samples from all drill hole across the 'Discovery Traverse' confirms that a high quality iron concentrate with very low impurities may be produced.
- Distribution of iron grades suggests low strip ratio and minimal dilution likely in an open pit scenario.
- Stage V drilling programme comprises an additional nine traverses across Murphy South that all indicate similar intervals of magnetite gneiss easily correlatable between sections (refer announcement 17 December 2010).

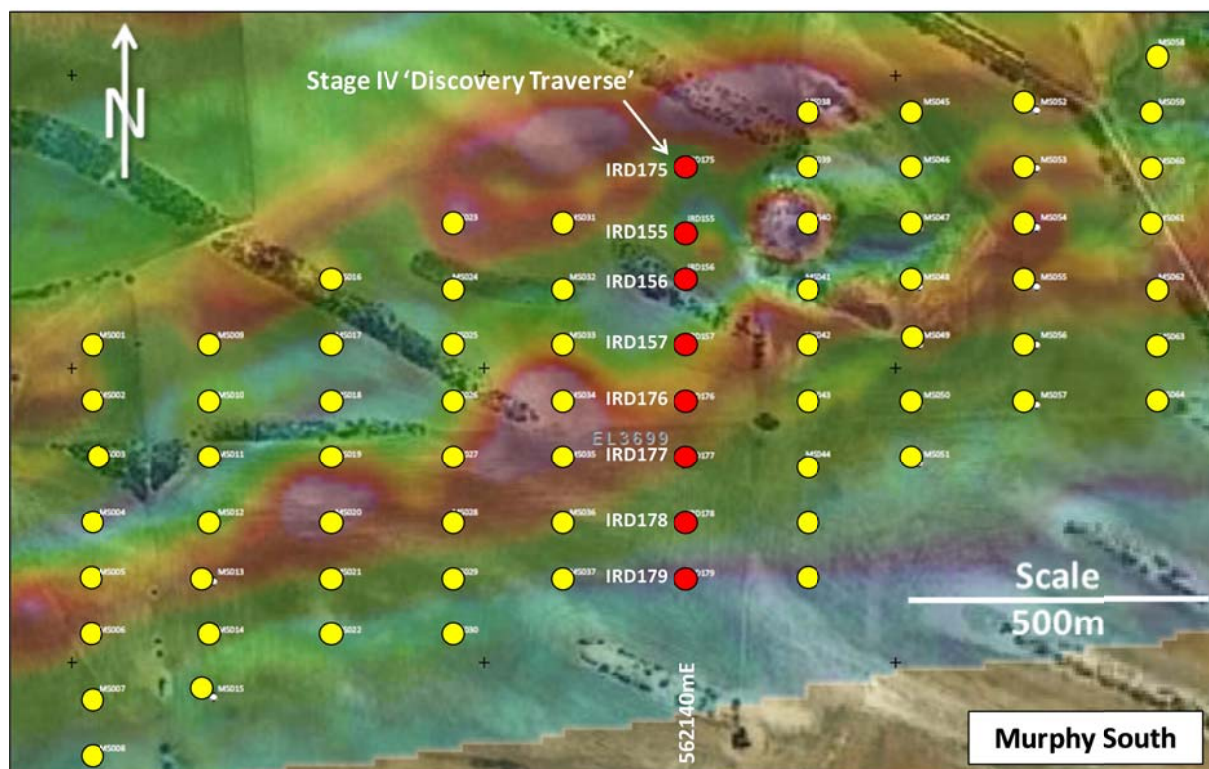


Figure 1 – Plan view of Central Eyre Iron Project (CEIP) Murphy South. Stage IV 'Discovery Traverse' hole collars shown in red, Stage V Mineral Resource drill hole collars in yellow. All holes complete.

Discovery Traverse

The *Discovery Traverse* (562140mE) was completed during the Stage IV drilling programme designed to test the Murphy South magnetic anomaly. Summary geological logging of the cross-section indicates a large body of magnetite mineralisation, with a sectional area of approximately 179,000m². Based on this single cross section, a potential open cut pit may be expected to have a vertical depth of approximately 450m and a width exceeding 1000m.

The magnetite mineralisation is characterised by two main rock types. One is a fairly uniform disseminated coarse-grained magnetite gneiss and the other a banded magnetite gneiss comprising layers of disseminated coarse-grained magnetite separated by barren quartz-feldspar bands. Test work from the nearby Boo-Loo prospect indicates that magnetite gneiss of similar character is amenable to upgrading by dry LIMS (coarse cobbing or dry magnetic separation) at -25mm during the first stage of mineral processing.

Structural analysis will determine the exact nature of the geology, though it is possible that the mineralisation outline defines an overturned isoclinal synform with both limbs truncated by erosion below shallow surface cover.

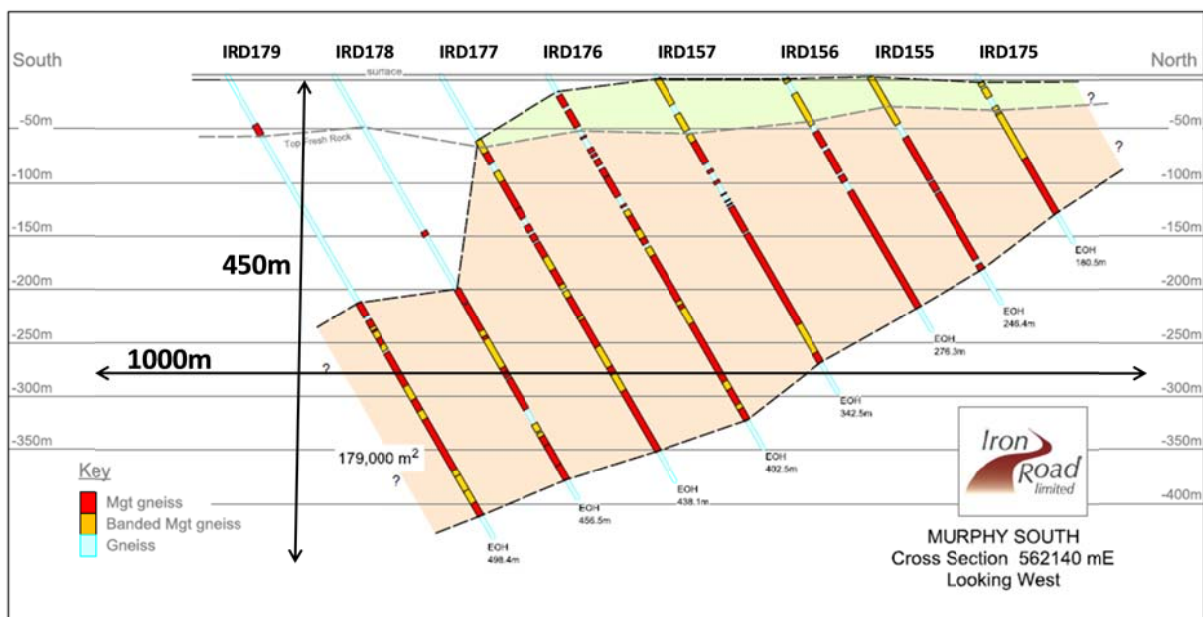


Figure 2 Section 562140mE (Stage IV Discovery Traverse)

Significant Assays

All RC pre-collars and diamond tails were sampled by XRF. RC holes were sampled using 2m composites and diamond core using 4m composites (and 2m across contacts). Summary results are presented in Table 1 overleaf. Assays indicate consistent continuous down hole intervals of magnetite gneiss of up to 331m width and within these broad intervals higher grade zones occur of varying width – these are included in the tabulation.

Table 1 Discovery Traverse – Summary of Significant Assays

Hole ID	Type	Down hole intercepts (m)			Average iron (%)	DTR ¹	
		From	To	Interval		Mass recovery (%)	Grade (% Fe)
IRD155	Diamond from 42m <i>including</i> <i>including</i>	2	210	208	14.1	14.2	69.4
		40	48	8	17.0		
		70	78	8	18.6		
		82	112	30	17.4		
		184	196	12	17.7		
IRD156	RC	4	8	4	21.8	16.5	70.0
	RC	20	50	30	22.6		
	Diamond	61	249	188	14.2		
	<i>including</i>	61	77	16	18.0		
	<i>including</i>	153	161	8	17.0		
	<i>including</i>	173	187	14	16.7		
<i>Including</i>	235	249	14	17.6			
IRD157	RC	4	32	28	17.5	19.0	69.7
	<i>including</i>	4	10	6	21.2		
	<i>including</i>	22	28	6	20.7		
	RC	44	48	4	20.3		
	Diamond	74	88	14	16.9		
	Diamond	142	310	168	16.3		
	<i>including</i>	224	256	32	18.3		
	<i>including</i>	260	272	12	19.0		
<i>including</i>	300	310	10	17.4			
IRD175	Diamond from 42m <i>including</i> <i>including</i> <i>including</i>	2	149	147	15.4	16.9	69.9
		8	28	20	19.3		
		99	135	36	19.1		
		137	149	12	17.3		
IRD176	RC	22	69	47	16.6	19.3	69.6
	<i>including</i>	22	38	16	22.8		
	Diamond	123	131	8	23.0		
	Diamond	191	371	180	16.5		
	<i>including</i>	191	245	54	21.1		
	<i>including</i>	287	315	28	18.7		
	<i>including</i>	319	329	10	16.6		
	<i>including</i>	363	371	8	17.3		

Note 1. Davis Tube Recovery (DTR) test work results shown are averages across magnetite intersections selected by the geologist during logging of diamond core.

Table 1 (continued) Discovery Traverse – Summary of Significant Assays

Hole ID	Type	Down hole intercepts (m)			Average iron (%)	DTR ¹	
		From	To	Interval		Mass recovery (%)	Average iron (%)
IRD177	Diamond from 84m <i>including</i> <i>including</i> <i>including</i> <i>including</i> <i>including</i> <i>including</i>	70	401	331	16.5	20.0	69.7
		81	93	12	21.7		
		189	207	18	21.8		
		211	231	20	19.5		
		233	305	72	21.5		
		313	323	10	17.3		
		343	373	30	18.5		
IRD178	Diamond <i>including</i> <i>including</i> <i>including</i> Diamond <i>including</i> <i>including</i>	230	360	130	17.8	22.9	69.6
		250	278	28	20.2		
		282	326	44	21.0		
		328	344	16	18.4		
		378	438	60	16.0		
		396	402	6	19.9		
		422	434	12	19.3		
IRD179	Diamond <i>including</i> <i>including</i> <i>including</i> <i>including</i> <i>including</i>	244	476	236	17.4	16.9	70.1
		264	272	8	20.4		
		276	292	16	20.4		
		296	332	36	21.8		
		334	382	48	21.3		
		464	472	8	19.3		

Note 1. Davis Tube Recovery (DTR) test work results shown are averages across magnetite intersections selected by the geologist during logging of diamond core.

DTR Test Work

Davis Tube Recovery (DTR) test work was undertaken on diamond core across intervals logged as magnetite with certain qualifying criteria by the geologist (visually and with the use of various aids). Individual samples comprise 4m composites with 2m composites across ore / waste contacts. All DTR's were conducted at a standard P80 of -40µm and are presented in Table 2 overleaf. A total of 251 DTR tests were completed.

DTR results indicate that a high quality iron concentrate may be produced from all drill holes with very low impurities. Metallurgical test work done on samples from the nearby Boo-Loo prospect indicates that a high grade blast furnace feed at a coarse grind of 106µm may be produced. It is expected that current test work on the magnetite gneiss at Murphy South will produce similar results.

Table 2 **Discovery Traverse – DTR Test Work**

Hole ID	No of composites	Iron Head Grade (%)	Mass Recovery (%)	Concentrate grades (%)			
				Fe	SiO ₂	Al ₂ O ₄	P
IRD155	26	16.0	14.2	69.4	1.23	0.97	0.00
IRD156	22	15.9	16.5	70.0	1.16	0.99	0.00
IRD157	28	18.0	19.0	69.7	1.24	1.02	0.00
IRD175	21	16.7	16.9	69.9	1.14	0.95	0.00
IRD176	47	18.6	19.3	69.6	1.23	0.98	0.00
IRD177	41	20.4	20.0	69.7	1.22	1.03	0.00
IRD178	23	20.0	22.9	69.6	1.18	1.12	0.00
IRD179	43	18.8	16.9	70.1	1.06	0.81	0.00
Totals/Wt avg	251	18.3	18.3	69.8	1.18	0.97	0.00

Notes. Davis Tube Recovery composites comprise 4m diamond core.
P80 of -40 µm.

The exploration target for Murphy South, across the 10 traverses designed for the Stage IV/V drilling programmes, is 400-800Mt magnetite gneiss*.

– ENDS –

APPENDIX 1

Murphy South Discovery Section (562140mE)

Hole ID	Easting (MGA 94)	Northing (MGA 94)	Azimuth °	Dip °	RC (m)	Diamond (m)	EOH (m)
IRD175	562140	6321838	0	-60	42	138.5	180.5
IRD155	562140	6321738	0	-60	42	204.4	246.4
IRD156	562140	6321658	0	-60	54	222.4	276.4
IRD157	562140	6321538	0	-60	72	270.5	342.5
IRD176	562140	6321438	0	-60	66	336.5	402.5
IRD177	562140	6321338	0	-60	84	354.1	438.1
IRD178	562140	6321238	0	-60	65	391.5	456.5
IRD179	562140	6321138	0	-60	72	426.4	498.4
Total					497	2344.3	2841.3

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Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 3). 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 magnetite gneiss*.

* Coffey Mining (Iron Road Limited ASX announcement 01 September 2009).

The information in this report that relates to Exploration Results and to exploration targets at Murphy South 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.



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The information in this report that relates to 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". Mr Thamm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears on 31 August, 2009 in West Perth.

*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 prospect.