

## Central Eyre Iron Project

### Prefeasibility Study Update

The Board of **Iron Road Limited (Iron Road, ASX: IRD)** is pleased to announce the expansion of the scope of the prefeasibility study (PFS) currently underway at the 100% owned Central Eyre Iron Project (CEIP) in South Australia.

The PFS is investigating the viability of a 10Mtpa mining and beneficiation operation, producing a high grade iron concentrate at -106µm. Following a review of positive ongoing study information, it has been determined that the PFS should be expanded to include both the Boo-Loo and Murphy South areas as a single report, in order to provide a more comprehensive study result. Previously, the company was considering releasing the result of the PFS studies over these two deposits separately.

The revised scope will provide shareholders and the market with a more conclusive and complete overview of the outstanding potential at the Central Eyre Iron Project.

Final beneficiation characteristics of the Murphy South deposit, mine optimisation and financial modelling are currently being conducted. The combined PFS is expected for delivery in approximately six weeks.

Iron Road Managing Director, Mr Andrew Stocks said that the expansion of the PFS scope was about maximising potential value of the project.

“The results received to date confirm the Central Eyre Iron Project is shaping up as a potential large scale and long life mining operation. Any future mine and project development would incorporate both deposits, so it is natural to incorporate both areas in the same study. This will also allow us to give shareholders a more comprehensive view of the overall potential returns at all areas of the CEIP, albeit at a slight delay to a portion of the study,” said Mr Stocks.

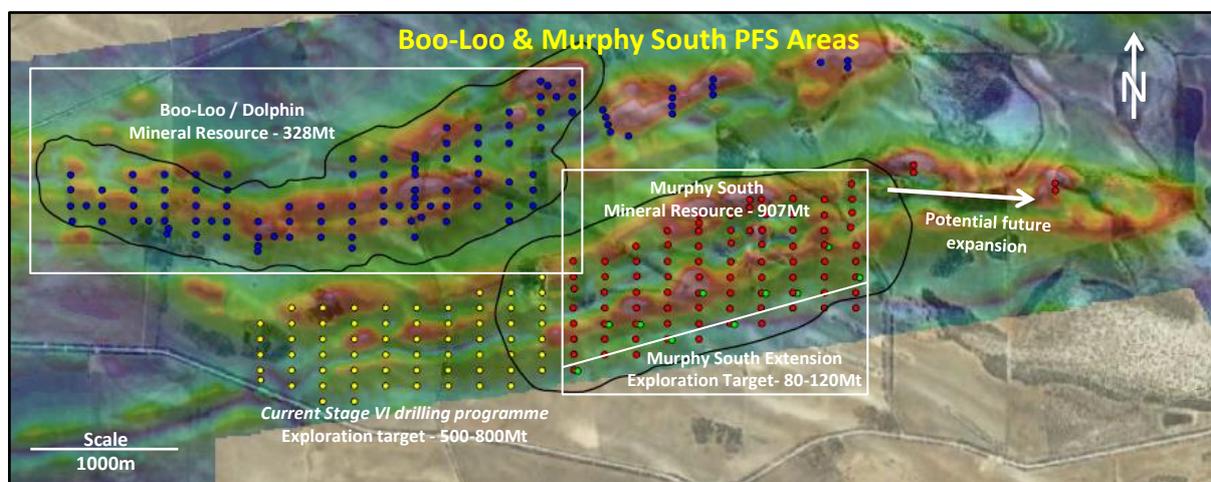


Figure 1

Prefeasibility Study pit outlines shown in black

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Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 2). 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.



**Figure 2 South Australia project location map**

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 those already estimated for the Boo-Loo and Murphy South prospects.