

IRON ROAD RAISES \$21 MILLION TO ADVANCE CENTRAL EYRE IRON PROJECT BEYOND PREFEASIBILITY STUDY

The Board of Iron Road Limited (Iron Road, ASX:IRD) is pleased to announce it has successfully raised \$21.6 million to further advance the Central Eyre Iron Project following the recently completed positive prefeasibility study.

Highlights

- Issue strongly supported by clients of Southern Cross Equities alongside both new and existing global institutional investors.
- Global institutional investors, including Iron Road's largest shareholder *The Sentient Group* and two US university endowment funds of *Columbia University* and *Duke University*, maintain their support.
- Central Eyre Iron Project PFS identified that project NPV can be lifted from \$1.1 billion to over \$2.4 billion with an increase in mineral resources from further drilling – funds in part will be used to advance this objective.
- Funds raised via issue of 24.0 million shares at an issue price of \$0.90, subject to shareholder approval.

Iron Road Managing Director, Mr Andrew Stocks, said that the funds raised would enable the company to continue *on the road to production*.

"Our positive prefeasibility study for the Central Eyre Iron Project demonstrated that not only was there significant current value for shareholders, but that considerable value may be added by increasing resources," said Mr Stocks.

"The funds raised today will allow us to continue our aggressive resource drilling campaign and deliver additional large tonnages into the project. We are currently drilling the Murphy South western extension and PIRSA have this week approved drilling over the Murphy South eastern extension. This work will further enhance our position as we continue our partnership discussions.

"I'd also like to acknowledge the support of our existing investors and the significant global institutions that have sought to increase their investment in our company as we progress towards ultimate project development," said Mr Stocks.

The funds raised will be used to:

- Continue the substantial drilling programmes at the Central Eyre Iron Project – Murphy South (west), Murphy South (east) and Hambidge;
- Continue drilling at the Gawler Iron Project;
- Continue feasibility investigations; and
- General working capital.

The placement is subject to shareholder approval on or about the 25 July 2011. A separate Notice of Meeting will shortly be sent to all shareholders.

– ENDS –

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Iron Road's principal project is the Central Eyre Iron Project, South Australia (Figure 1). 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 1 - 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.