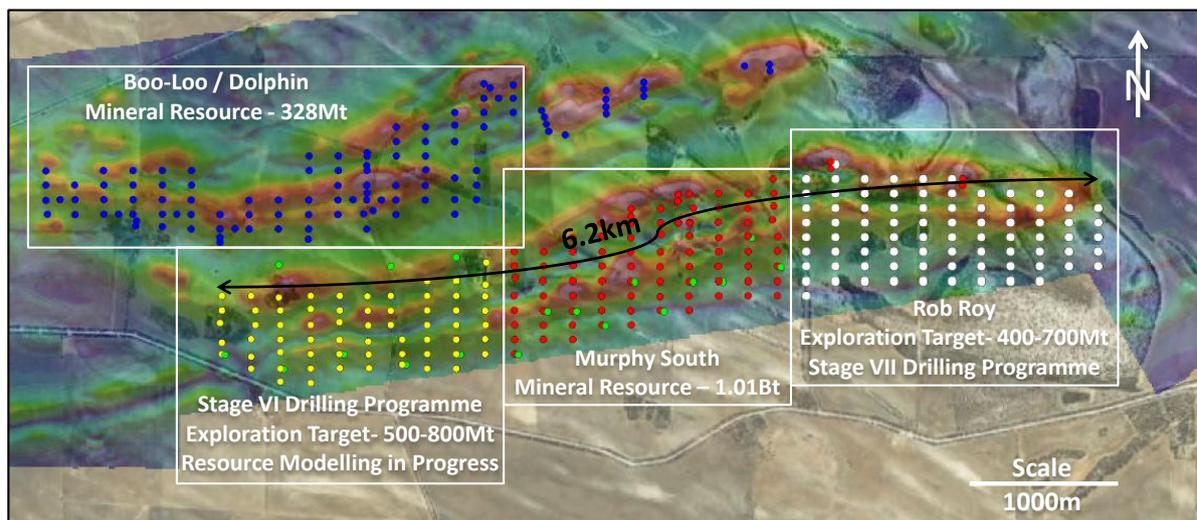


## Central Eyre Iron Project Stage VII Drilling Programme Commences

**Iron Road Limited** (Iron Road, ASX: IRD) is pleased to announce that Stage VII drilling, situated along strike and to the east of Murphy South, has commenced.

### Stage VII Summary

- Drilling programme comprises 81 diamond drill holes totalling over 34,000m.
- Drilling has commenced on the first 46 diamond drill holes approved by PIRSA.
- Programme will initially utilise two diamond rigs drilling NQ2 core.
- Stage VII exploration target of 400-700Mt magnetite gneiss at a grade of 16-18% iron<sup>1</sup>.
- Current mineral resource at CEIP stands at 1.33Bt with 1.01Mt at Murphy South.



**Figure 1 – Plan view of CEIP Boo-Loo, Murphy South and Rob Roy Stage VII Resource drilling programme. Murphy South Stage VI drilling programme is complete and resource modelling by Coffey Mining has commenced.**

During June 2011 Primary Industries and Resources South Australia (PIRSA) approved 46 of the 81 diamond holes comprising the Stage VII drilling programme at Rob Roy. The remaining 35 drill holes are either within or adjacent to a registered Vegetation Heritage Agreement Area and are subject to a Declaration of Environmental Factors as required under the licence conditions.

Drilling of this programme has commenced following on from the completion of Stage VI resource expansion and geotechnical drilling to the west of Murphy South. The mineral resource estimate for Stage VI drilling, situated along strike and to the west of Murphy South, has commenced and is expected to be completed by year end.

<sup>1</sup> 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 and Murphy South prospect.

Individual diamond holes range from 100m-600m in depth with drilling on a 200mx100m grid. This drilling programme will explore the eastern extension of the Murphy South orebody over an area approximately 800m wide x 2000m long (Figure 1). The Stage VII exploration target is 400-700Mt magnetite gneiss at a grade of 16-18% iron\*.

*\* 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 and Murphy South prospect.*

Iron Road's Prefeasibility Study for the CEIP indicated a base case Net Present Value for the project of \$1.1 billion. The addition of further resources has the potential to significantly lift project NPV, as detailed in the study.

– ENDS –

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Iron Road's principal project is the Central Eyre Iron Project, South Australia. 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 of magnetite gneiss at a grade of 18-25 % iron\*.

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

The information in this report that relates to Exploration Results and 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.



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 information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane 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 Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CEIP Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Murphy South	Indicated	585	16.7	52.9	12.6	0.09	0.3
	Inferred	421	16.6	52.6	12.7	0.08	1.2
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
<b>Total</b>		<b>1,334</b>	<b>16.8</b>	<b>52.7</b>	<b>12.3</b>	<b>0.09</b>	<b>1.0</b>

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.