

IRON ROAD CONFIRMS VIABILITY OF SINTER FEED PRODUCT FROM THE CENTRAL EYRE IRON PROJECT

Positive sinter test work highlights product benefits for client steel mills

Iron Road Limited (Iron Road, ASX:IRD) is pleased to confirm positive results from sinter test work for the proposed iron concentrate to be produced at the Central Eyre Iron Project (CEIP) in South Australia.

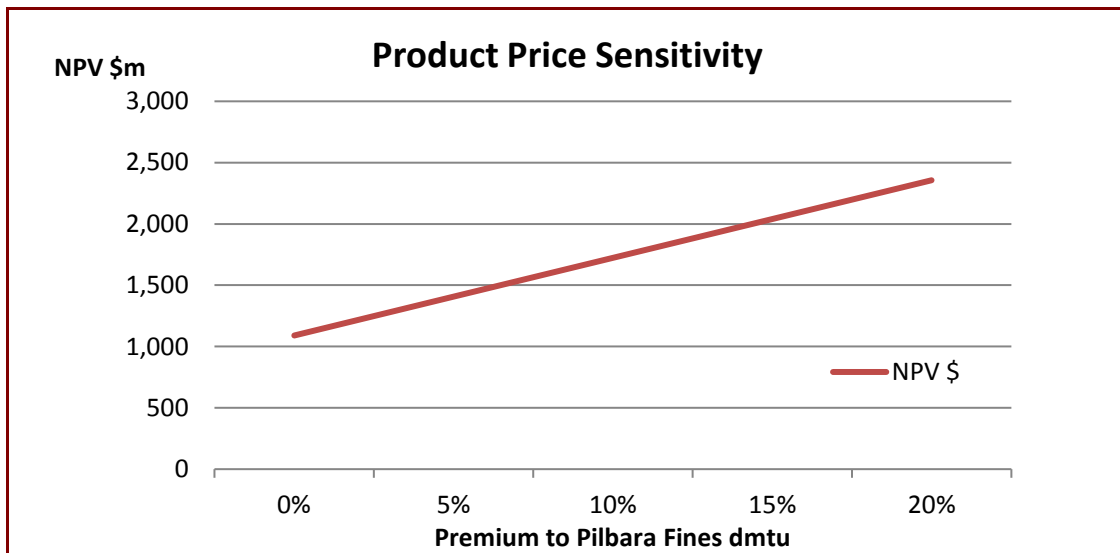
Highlights

- Confirmation that the CEIP product will be suitable for use in sinter plants as sinter feedstock and will not require additional processing into pellets before use.
 - The available market for CEIP product is significantly larger than many other proposed magnetite projects as the majority of blast furnace based steel mills have associated sinter plants.
 - CEIP product will also avoid the possibility of future constraints in pellet plant capacity.
 - Iron Road is now in a position to capture a premium price for CEIP product, without incurring the added expense of additional processing into pellets.
- Sintering realises a cost benefit to final steel manufacture for the proposed CEIP product, compared to typical magnetite concentrates requiring pelletisation.
- As a result, Iron Road is now confident that a premium above Pilbara fines prices will be achieved for the 67% Fe content concentrate, thus confirming a higher project value for CEIP.
 - Confirmation of the pricing premium will have positive implications for project economics and further enhance Iron Road's position in its ongoing partnership discussions.
- CEIP product shows similar characteristics in use to Brazilian Pellet Feed Fines, which is a universally well understood iron product.
- Sinter test work also shows possibility of CEIP product replacing Australian and Brazilian Fines in steel mill use.

Sinter characterisation test work undertaken in Japan for Iron Road demonstrated significant benefits in use for steel mill customers, advancing the test work previously undertaken under the completed Prefeasibility Study.

Iron Road's Prefeasibility Study for the CEIP indicated that a coarse grained sinter feedstock grading 67% Fe (iron), would be expected to fetch a premium above Pilbara fines prices. The sensitivity analysis of pricing fines indicates that project returns increase dramatically when pricing is linked to the expected value in use for the CEIP product. The "base case" Net Project Value of \$1.1 billion for CEIP is based upon long term iron prices, without the inclusion of a premium above standard fines prices.

With the positive results received from the sinter test work, Iron Road is now confident that the premium above Pilbara fines prices will be achieved and consequently a higher project value for CEIP.



Sinter Test Work Programme

Iron Road Limited is planning to produce a magnetite concentrate from the CEIP in South Australia. The objective is to produce a coarse magnetite product (P80 -106µm) with iron liberation characteristics suitable for use in the major sintering market. Most magnetite concentrates have iron liberation at finer particle sizes than the CEIP product and are therefore used in a dedicated pellet plant or sold into the relatively smaller pellet feed market.

Understanding the characteristics of ore behaviour in sintering may be determined by test work. HN-Minerals have developed a micro-testing technique to provide the basic information by which broad conclusions can be drawn regarding the likely performance of an ore in a sinter pot testing campaign and in sinter plants. The HN-Minerals test work was undertaken by arrangement at the NSTR (Nippon Steel Testing and Research) facility in Japan. Dr Y. Hida and Mr N. Nosaka are recognised leaders in their field and are responsible for the development of the micro-testing technique.

The main process was to test the agglomeration characteristics of the samples and compare these against other sinter feed ores.

The tests relevant to the sintering process included:

- Assay and mineralogical review by particle size;
- Granulation testing;
- Bulk density determination;
- Moisture absorbance characteristics;
- Review of oxidation potential;
- Adhering fines and sinter properties; and
- Assimilation properties.

Test work was carried out on the basis of Japanese sintering conditions and iron ore types.

Chinese mills use considerably higher percentages of magnetite concentrate than Japanese mills and therefore test outcomes based on Chinese conditions are considered likely to be even more positive.

The test work concluded that CEIP concentrate is suitable for use in conventional sintering plants without the need for pelletising.

Summary of Key Findings

Results from the testing of CEIP -106 μ m iron concentrate indicate:-

- Coarse particles contain the majority of the gangue material (feldspar and quartz)
 - *This fraction represents only 2.2% of the product mass.*
- Granulation properties are similar to Brazil Pellet Feed Fines
 - *This is a widely used product particularly in Japan, Korea and China where steel mills have sintering practices adapted to use this material.*
- Good oxidation properties similar to ultra-fine magnetite concentrate.
 - *Suggests that CEIP concentrate used in sinter mix with high proportions of Australian fines will produce positive sinter outcomes.*
- Sintering properties of adhering fines is inferior to ultra-fine magnetite concentrate
 - *These properties can be improved by increasing CaO/Ore or by grinding of the coarser portion.*
- Assimilation properties suggest that as adhering fines, with an Australian CID (channel iron deposit) as the core particle, CEIP concentrate demonstrates a lower primary melt formation than similar concentrates
 - *Chinese mills use considerably higher percentages of magnetite concentrate than Japanese mills so test outcomes based on Chinese conditions are likely to be more positive.*

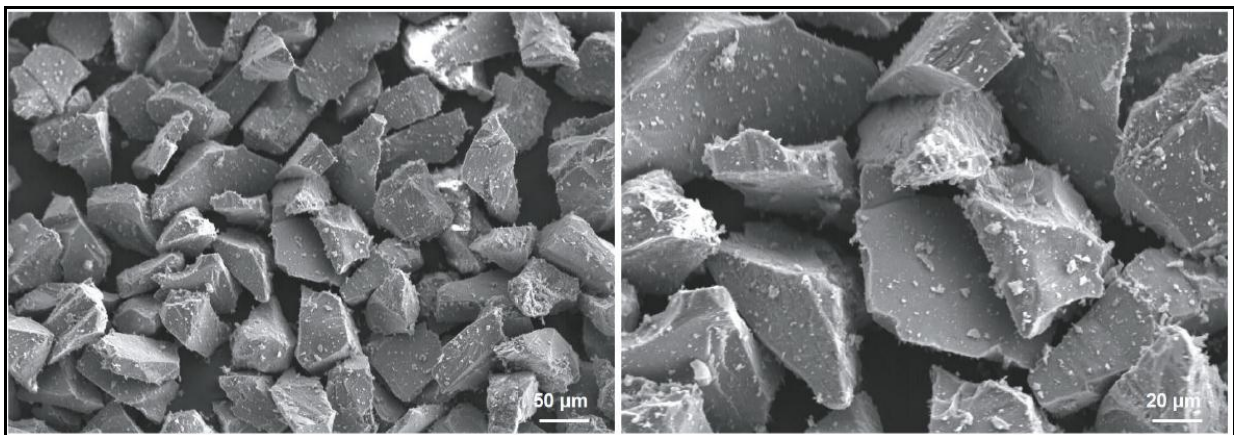


Figure 1 Scanning Electron Microscope (SEM) image of CEIP 0.063 –0.045 mm particles.

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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 of magnetite gneiss at a grade of 18-25 % iron*.

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

*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.

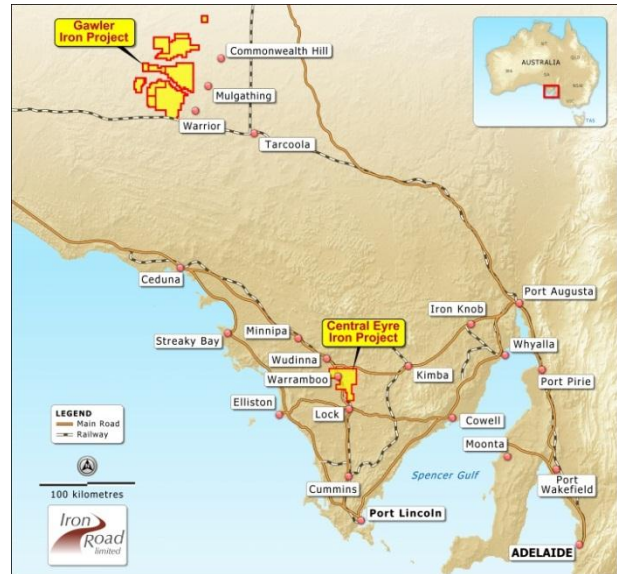


Figure 2 South Australia project location map

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.