

## About Iron Road

Iron Road was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio comprised of an advanced stage exploration project with excellent infrastructure nearby, complimented by early stage projects.

Iron Road's principal project is the Warramboe Iron Project in South Australia. Early test work indicates that a high quality iron concentrate may be produced grading approximately 70.3% iron. Warramboe is complemented by early stage projects prospective for iron ore mineralisation in Western Australia (Windarling, Murchison) and South Australia (West Gawler).

The Company has a distinguished Board and management team that are multi-disciplinary and experienced in the areas of exploration, project development, mining and finance.

ASX Codes – IRD, IRDO

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Iron Road continued its high level of activities during the quarter, with an emphasis on the Warramboe project in South Australia. The current phase of drilling forms part of a planned initial three stage drilling programme with a view to establishing a long-life +5Mtpa export operation. Test work from the Stage I drilling programme indicates that a high quality concentrate may be produced from Warramboe grading ~70.3% iron with low impurities.

## Highlights

### Warramboe

- Final metallurgical DTR test work from Stage I drilling samples collected across the deposit confirms high grade concentrate averaging 70.3% iron with low silica, alumina and phosphorous.
- Stage I test results indicate a superior quality DRI quality concentrate may be produced.
- Consistent concentrate quality produced irrespective of location or in-ground iron grade.
- Stage II drilling programme commenced with RC drilling at the Collins and Boo-Loo project areas.
- Continued progress with deposit structural and stratigraphic interpretation with target generation utilising geophysical data and drilling information.

### West Gawler

- Review of geophysical and other historical data completed.

### Windarling

- Geophysical review of Windarling tenements completed.

### Corporate

- Mr Julian Gosse and Mr Ian Hume appointed to the Board. Dr McKee resigns from the Board and remains available as a consultant to the Company.
- Intention to sell Unmarketable Parcels announced.



Figure 1 – Stage II drilling commenced during the Quarter



## Projects

### South Australia – Eyre Peninsula

The Warrambo Iron Project (663km<sup>2</sup>) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warrambo, Kopi and Hambidge. The project is located in a grain farming area with good infrastructure, including a third party railway which runs through the lease area, connecting the project to the deep water harbour at Port Lincoln, 175km to the south. Community relationships and support is excellent with great interest shown in possible development scenarios.

#### Stage II RC drilling programme underway.

Planning for Stage II drilling at Warrambo was made in consultation with the Company's mining resource specialist, Coffey Mining with the intention to pattern drill at least one area of high potential. Stage II forms part of an initial three stage drilling programme at Warrambo with a view to establishing a long-life +5Mtpa magnetite export operation.

Stage II RC drilling commenced in late February 2009 at Collins. Six drill holes not completed during the Stage I programme in December 2008 were incorporated into the Stage II drilling programme. The bulk of the drilling however encompasses an area known as Boo-Loo, where a drilling programme has been designed to test and demonstrate continuity of magnetite on strike and down dip in preparation for a possible JORC compliant resource. All drill holes have a northward orientation at -60° dip with depths varying from 80 to 240m (Figures 2 and 3).

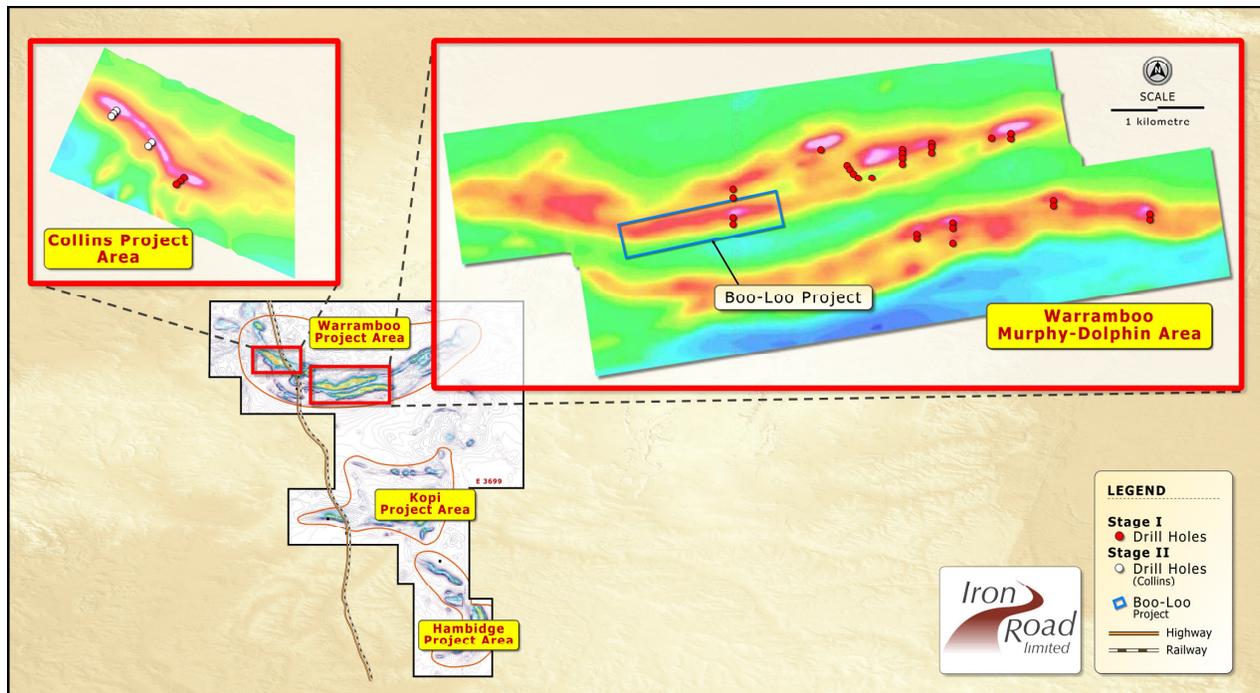
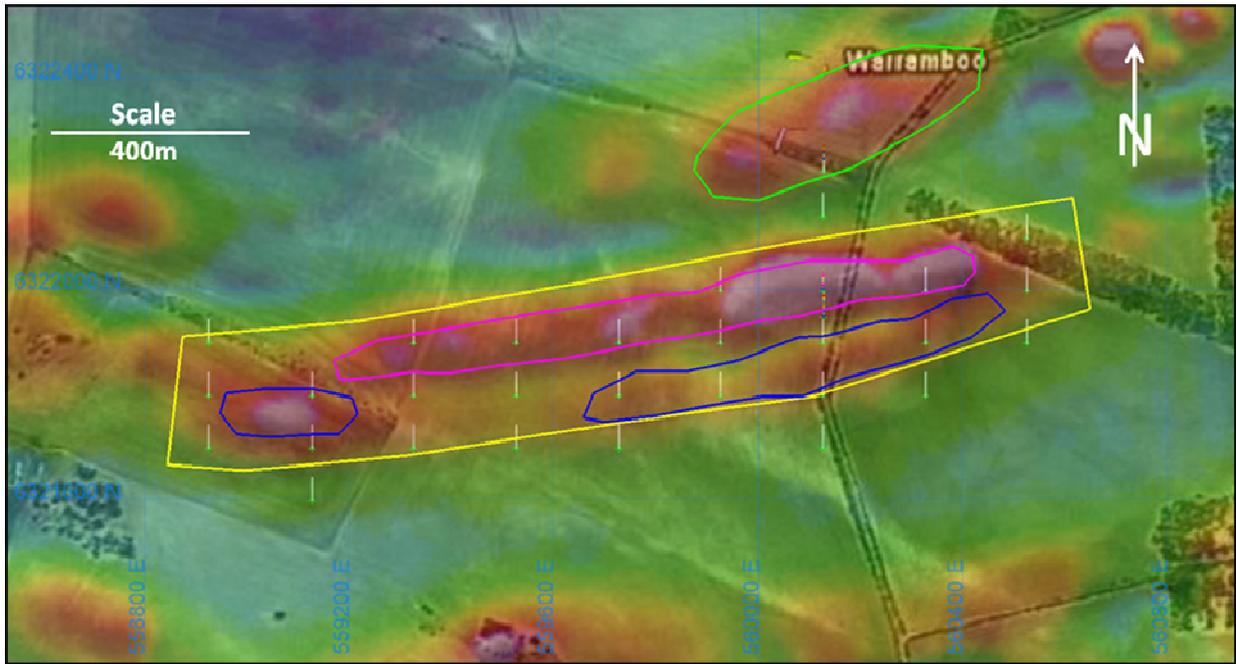


Figure 2 – The Boo-Loo project occurs within the demarcated area as indicated. Collar positions are superimposed on the Total Magnetic Intensity (TMI) image for the Warrambo Project Area.



**Figure 3 - Stage II drill holes planned at the Boo-Loo project. Collar positions and drill hole traces are superimposed on the Total Magnetic Intensity (TMI) image.**

At Collins all drill holes intersected magnetite gneiss as planned. Assay results (XRF) have been received for these confirming the potential of the area for magnetite.

Highlights from the drilling completed at Collins are given below and detailed at Appendix 1.

- **RCIR038** 46m at 24.9% Fe, 12m at 23.0% Fe, 13m at 20.0% Fe including 2m at 34.0% Fe, 2m at 30.5% Fe and 2m at 32.6% Fe.
- **RCIR041** 34m at 21.3% Fe, 4m at 20.4% Fe, 6m at 21.9% Fe, 8m at 21.2% Fe.
- **RCIR042** 4m at 21.6% Fe.

Notes: (1) All widths are apparent (2) 20% Fe cut-off

At Boo-Loo three RC drill holes have been completed that confirm the down-dip extension at depth of magnetite intersected in RCIR-025 and RCIR-026 as reported and illustrated in figure 3 in the December 2008 Quarterly Activities report. Subsequent drilling will test the continuity of the same sequence along approximately 1.8km strike length. This is expected to be completed in the June Quarter, with results of the drilling and expanded metallurgical test work programme to follow thereafter.

***Metallurgical test work from samples collected across the deposit confirms consistent concentrate averaging 70.3% iron with low silica, alumina and phosphorous.***

Davis Tube Recovery (DTR) test work under the guidance of specialist consulting metallurgists ProMet has been undertaken using individual and composite samples collected from several drill holes across the deposit. This work has deliberately targeted both low and high grade areas including those areas displaying varying degrees of magnetite destruction to hematite.



All 72 DTR tests have been received and returned the following average values for the iron concentrate (P80 at 40µm).

Concentrate %											
Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	CaO	MgO	Na <sub>2</sub> O	K <sub>2</sub> O	TiO <sub>2</sub>	P	Mn	S	LOI
70.25	0.96	0.81	0.03	0.11	0.01	0.033	0.10	0.003	0.690	0.002	-3.3

The high iron content of the magnetite concentrate combined with an overall chemistry relatively free of deleterious elements indicates its suitability for the production of high quality iron ore pellets for the premium direct reduced iron market. Furthermore the results to date suggest that concentrate grade is independent of in-situ grade and spatially consistent along the entire breadth of the area under investigation. It is also noted that the test work replicates grinding and magnetic separation without additional processes such as flotation. This together with a P80 at 40µm (40 micron) indicates a favourable process of magnetite concentration compared to some other magnetite deposits.

The original precursor of the magnetite gneiss at Warramboe is believed to be a pelite (mudstone), not a banded iron formation (BIF) as is more common for these types of deposits. The host lithology is granular quartz-feldspar gneiss with an average magnetite grain size of 1.5mm, sharp boundaries with the gangue mineralogy and very few inclusions of gangue minerals. These characteristics result in the high quality Warramboe iron concentrate low in silica following a straightforward liberation process.

**Continued progress with deposit structural and stratigraphic interpretation utilising geophysical data supplemented with drilling information.**

Analysis is complete of all geophysical data available for the Warramboe Iron Project that will aid in stratigraphic correlation and structural analysis. Inversion modelling has been effectively used during the planning of the Stage II drilling programme at Boo-Loe and has proven to be an accurate representation of the magnetite zones at depth. Figure 4 (below) illustrates a cross-section of drilled and inferred geology (top) and the susceptibility model from magnetic inversion (bottom).

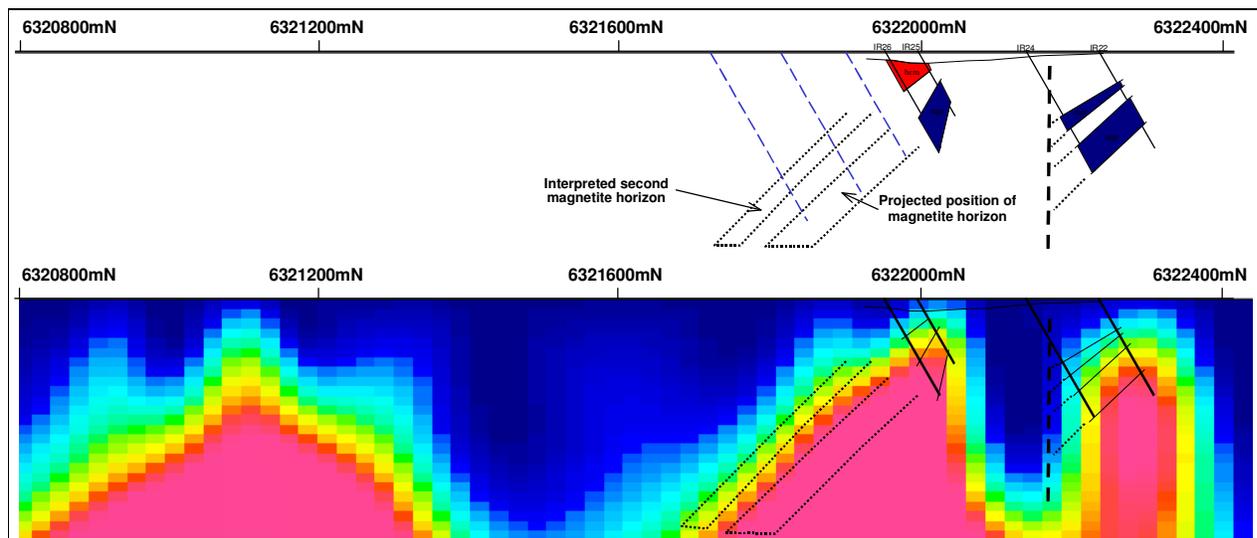


Figure 4 - Inversion modelling of Boo-Loe (line 560130mE)



From geophysical analysis various high potential drilling targets have been generated and existing areas analysed to further aid in their understanding. Areas defining potential structural traps and thickening are of interest with further geophysical surveys such as gravity identified and recommended where appropriate.

**Strategic location in central Eyre Peninsula of South Australia – additional transport option at Tumby Bay.**

Of significance to Iron Road is an agreement announced in December 2008 by Centrex Metals Limited. Centrex announced that it has agreed to work with WISCO to jointly develop a deep water Cape-size capable port at Sheep Hill, 20kms north of Tumby Bay on the south east coast of Eyre Peninsula. This announcement effectively gives Iron Road another potential route for export over and above the four currently under review.

**South Australia – West Gawler**

The West Gawler project area is located on the Trans Australian Railway and within 100 kilometres of the Adelaide-Darwin Railway in South Australia (Figure 7). The Project area includes over ten areas of known iron occurrences, including the Mt Christie deposit which was the subject of beneficiation test work in the 1960’s by the South Australian Department of Mines.

The West Gawler tenements include a large database of historic and modern exploration results and investigations. The Company has completed a geophysical review of the existing data and will use recommendations from this work to refine the strategy for exploration activities and investigation.

**Western Australia**

Iron Road has completed a data review program covering its Western Australian projects and is developing a staged plan of ground work, the majority of activity centred on the Windarling project (Figure 5).



Figure 5 - Windarling project location

## **CORPORATE**

### ***Board changes***

Iron Road announced the appointment of two new key Board members during the Quarter, Mr Julian Gosse and Mr Ian Hume. Mr Gosse joined Iron Road as Chairman of the Board and brings extensive experience in banking and broking both in Australia and overseas. He has previously worked in London for Rowe & Pitman, in the United States for Janney Montgomery & Scott and in Canada for Wood Gundy.

Mr Hume joined Iron Road as a non-executive Director. Mr Hume's career in the resources industry spans several decades, primarily in the fields of managed fund investments, capital raising and project development. He was a founding partner of The Sentient Group, which manages closed end private equity funds specialising in global investments in the natural resource industries. He remains an independent advisor to The Sentient Group, following his retirement from the fund in 2008.

Prior to founding The Sentient Group, Mr Hume was a consultant to AMP's Private Capital Division, working on the development of a number of Chilean mining investment joint ventures, as well as advising on a number of specific investments across a range of commodities and locations.

Iron Road's preceding Chairman, Dr John McKee, stepped down from the Board for personal reasons and remains available as a consultant to the Company. Dr McKee oversaw the successful ASX listing of Iron Road and the commencement of activities at Warrambo.

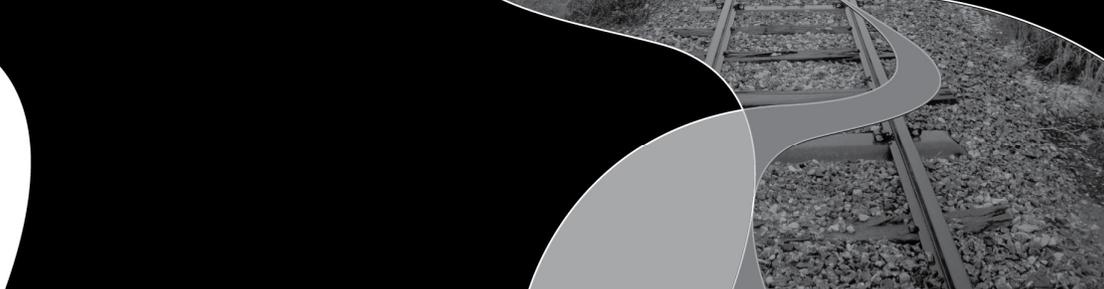
### ***Sale of unmarketable parcels of shares***

Subsequent to the Quarter, Iron Road announced its intention to sell unmarketable parcels of its shares. The closing price of the Company's shares immediately prior to the date of the notice was 8.9 cents and therefore an unmarketable parcel was deemed to be 5,618 or less shares.

The Company incurs considerable costs to administer shareholdings and to provide reports, Notices of Meetings and other information to its shareholders. To reduce these costs the Company intends to sell unmarketable parcels of shares and deliver the proceeds of the sale to the holders of the unmarketable parcels, unless shareholders respond in writing before 26 May 2009. All costs relating to the sales, including brokerage, are payable by the Company.



**Figure 6 - (left to right) Ian Hume, Larry Ingle and Julian Gosse on site at Warrambo**



Questions regarding the sale of unmarketable parcels should be directed to either:

- Your adviser,
- Security Transfer Registrars Pty Ltd (T. 08 9315 2333), or
- The Company Secretary, Mr Graham Anderson (T. 08 9322 2700).

## ADDITIONAL INFORMATION

### Glossary

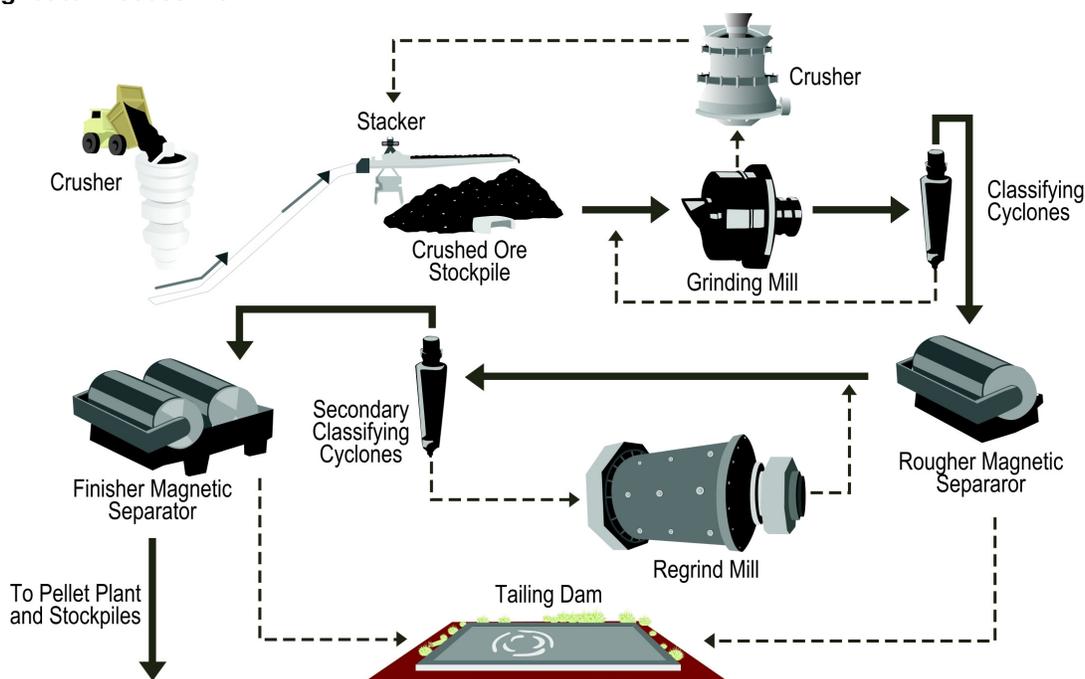
**DTR** Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist ore body assessment for magnetite, hematite or combinations thereof.

**XRF** X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).

**Hematite** Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide ( $\text{Fe}_2\text{O}_3$ ), one of several iron oxides.

**Magnetite** Magnetite is a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula  $\text{Fe}_3\text{O}_4$  and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

### Simplified Magnetite Process Flow





**Competent Person's Statement**

The information in this presentation that relates to Exploration Results and Mineral Resources is based on and accurately reflects information compiled by Mr Malcolm Castle, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience which is 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 Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Figure 7 - Iron Road projects location plan

**APPENDIX 1**

*In situ iron grades, prior to concentration*

Hole ID	Easting (MGA 94)	Northing (MGA 94)	Dip (°)	Azimuth (MGA)	EOH (m)	From (m)	To (m)	Width (m)	Fe (%)
<b>Collins</b>									
RCIR037	552527	6325239	-60	37	180			NTR	
RCIR038	552500	6325197	-60	37	191	26	72	46	24.9
						148	160	12	23.0
						178	191	13	20.0
					includes	46	48	2	34.0
						56	58	2	30.5
						60	62	2	32.6
RCIR039	552465	6325140	-60	37	90			NTR	
RCIR041	552899	6324867	-60	37	228	124	158	34	21.3
						176	180	4	20.4
						184	190	6	21.9
						204	212	8	21.2
RCIR042	552865	6324841	-60	37	182	142	146	4	21.6
RCIR045	553273	6324431	-60	37	100			NTR	

Note: All widths are apparent with a cutoff of 20% Fe. Minimum interval of 2m.

*Rule 5.3*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**IRON ROAD LIMITED**

ABN

51 128 698 108

Quarter ended ("current quarter")

31 March 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from tax returns and related debtors	10	10
1.2 Payments for		
(a) exploration and evaluation	(750)	(2,029)
(b) development	-	-
(c) production	-	-
(d) administration	(169)	(445)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	39	172
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST to be recouped)	47	(59)
<b>Net operating cash flows</b>	<b>(823)</b>	<b>(2,351)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6)	(25)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (state if material)	-	-
<b>Net investing cash flows</b>	<b>(6)</b>	<b>(25)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(829)	(2,376)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from shares /shares to be issued	-	262
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Proceeds from release of tenement bond	-	-
1.19	Other (Cost of Capital Raising/Prospectus)	-	(109)
	<b>Net financing cash flows</b>	-	153
	<b>Net increase (decrease) in cash held</b>	(829)	(2,223)
1.20	Cash at beginning of quarter/year to date	3,501	4,895
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,672	2,672

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	64
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	-
<b>Total</b>	<b>750</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	567	419
5.2 Deposits at call	2,105	3,082
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,672</b>	<b>3,501</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	54,650,000	28,237,500		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	7,125,000 7,500,000 2,000,000 4,500,000 27,325,017	27,325,017	<i>Exercise price</i> 20 cents 35 cents 20 cents 35 cents 20 cents	<i>Expiry date</i> 22/1/13 22/1/13 11/3/13 6/8/13 30/9/10
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date 30 April 2009  
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS ANDERSON

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.