Quarterly Activities Report

for the period ended 30 June 2010

About Iron Road

Iron Road Limited was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio comprised of a development stage project under pre-feasibility study, with excellent infrastructure nearby, complimented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project in South Australia. A study is underway examining the viability of a mining and beneficiation operation initially producing 10Mtpa of iron concentrates for export. Early test work indicates that a high quality concentrate may be produced grading approximately 70% iron.

The Central Eyre Iron Project 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 aimed at advancing the flagship Central Eyre Iron Project, which is currently under pre-feasibility study for a significant magnetite concentrate export operation. A major drilling programme concluded at the Boo-Loo and Dolphin prospects culminating in a significant upgrade to the existing mineral resource. At the Gawler Iron Project an extensive RC drilling programme commenced.

Highlights

Central Eyre Iron Project

- Stage III drilling completed on 29 April 2010 for 14,490m at the Boo-Loo and Dolphin prospects.
- Expansion of existing inferred mineral resource estimate on 30 June 2010 to 328Mt at Boo-Loo and Dolphin.
- Stage IV drilling programme for 9,845m commenced 7 June 2010 to test several targets identified from detailed aeromagnetic surveys and a structural study.
- Metallurgical and geotechnical holes completed on 17 June 2010 to support the Central Eyre Iron Project (CEIP) pre-feasibility study (PFS).

Gawler Iron Project

- Completion of Stage I exploration drilling on 15 May 2010 comprising 71 RC drill holes for 6,184m.
- Nine target areas, including six targets below Tertiary cover, tested by drill traverses. Hematite- and magnetite-rich gneiss encountered at all tested target areas.
- Successful field visit by the Antakarinja Matu-Yankunytjatjara native title claimants as part of an ongoing monitoring programme of drilling operations.
- Award of a A$60,000 grant by the South Australian Government as part of its Plan for Accelerating Exploration (PACE).

Corporate

- Appointment of Mr Milo Res, former *Crosslands Resources* Mine Geology Advisor, as Geology Manager.

Figure 1 **Drilling at the Central Eyre Iron Project**

Projects

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (663km^2) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warramboo (including Boo-Loo), Kopi and Hambidge. The project is located in a grain farming area with good infrastructure. Community relationships and support is excellent with great interest shown in possible development scenarios.

Boo-Loo Mineral Resource Expansion

The first drilling programme at the Central Eyre Iron Project for 2010 was completed on 29 April 2010. The programme comprised 14,490m of RC and diamond drilling (refer Figures 2, 3). Large diameter metallurgical and geotechnical holes were drilled after this programme to support the ongoing pre-feasibility study (PFS) at the project. The PFS is scheduled for completion in early 2011.

Resources at the project now stand at 328Mt, a tripling of the previous resource. Iron Road has set a corporate goal of further increasing the mineral resource to 500Mt of iron ore at the CEIP by year-end. As a result of the current resource increase, Iron Road remains confident of achieving this objective. Coffey Mining has previously established an exploration target of 2.8 to 5.7 billion tonnes of magnetite gneiss at the project[1].

A summary of the key data is included in the table below.

Boo-Loo Resource Estimate							
Resource Classification	**Material Type**	**Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Inferred	Fresh	277	17.3	52.5	11.5	0.095	0.5
	Transitional	13	17.0	52.4	11.6	0.094	10.7
	Oxide	38	17.2	52.1	11.6	0.094	10.8
Total		328	17.3	52.4	11.5	0.095	2.1

The Boo-Loo resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (refer attachment 1).

The resource estimation was compiled by independent resource consultants, Coffey Mining. Details of the resource estimation study are provided in the attachment and supersede the previous statement dated 07 August 2009.

Indicative Concentrate Specifications						
Project	**Fe %**	**Mass Rec %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Stage 1 drilling *	70.3	21.0	1.0	0.8	0.00	-3.3
Boo-Loo **	69.9	21.8	1.3	1.0	0.00	-2.8
Boo-Loo update ***	70.0	21.0	1.3	1.0	0.00	-3.3

P80 passing 40µm
* based on 72 DTR composites across the upper portion of the CEIP deposit from Stage 1 drilling
** based on 396 DTR composites across the Boo-Loo project only
*** based on an additional 1018 DTR composites outside the original Boo-Loo resource

[1] Refer ASX Announcement dated 01 September 2009 and notices at the back of this release.

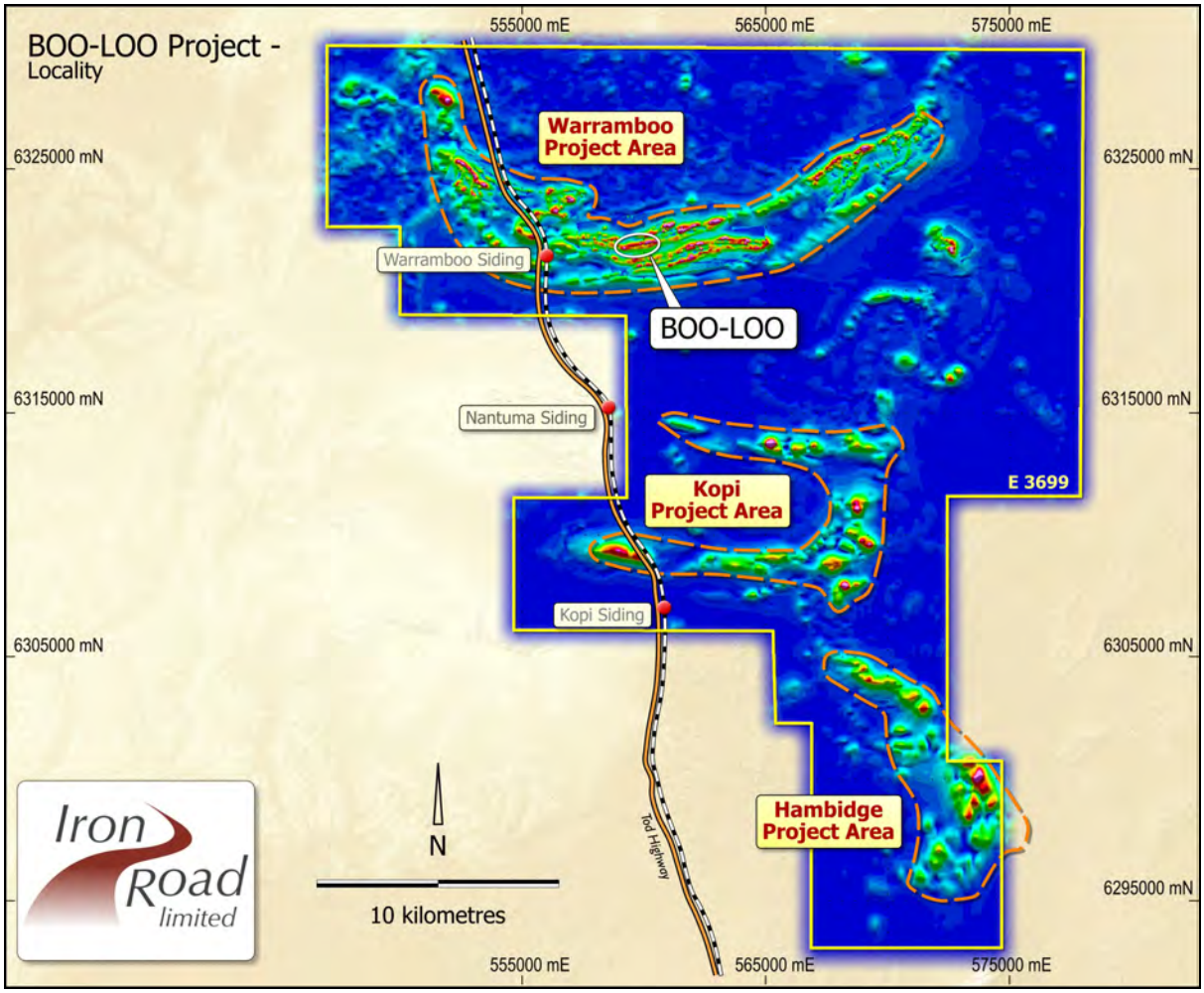

Figure 2 **CEIP project area – area of Resource (Boo-Loo) indicated**

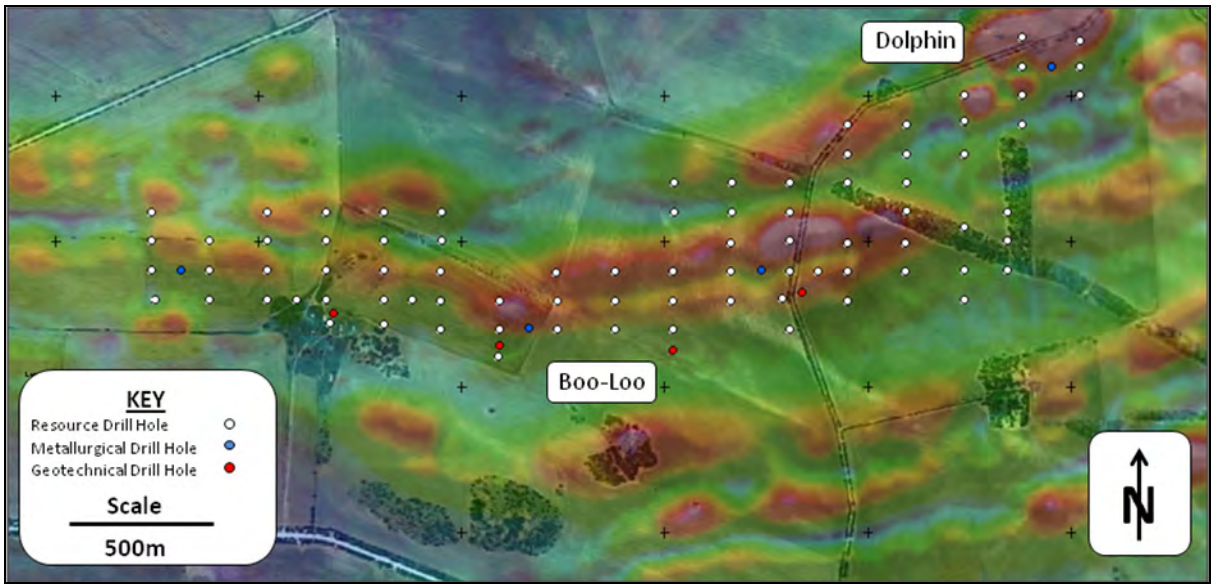

Figure 3 **Drill hole locations covering the Boo-Loo mineral resource**

The current Mineral Resource focuses on a 4.2km portion of the project's total strike length of more than 95km. The remainder is currently being selectively drilled and whilst still to be fully tested, is considered by the Company to be similar in scale and quality and is likely to host several substantial deposits.

Stage IV Drilling Programme

The second of several drilling programmes planned by Iron Road at the Central Eyre Iron Project during 2010 commenced on 07 June 2010. The programme is designed to test seven high potential targets that have been selected based on geophysical as well as historical data (refer Figure 4).

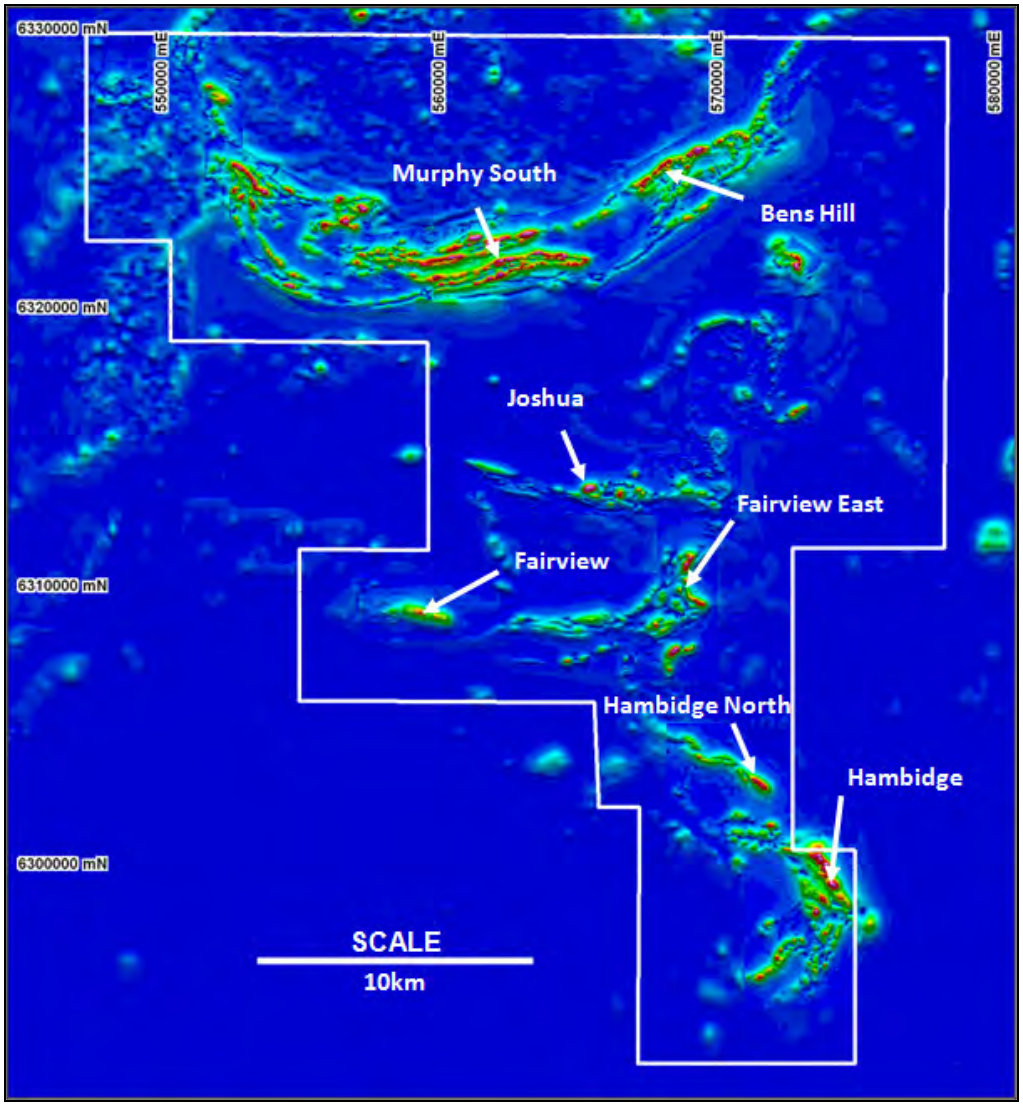

Figure 4 **Location of Stage IV drilling targets**

The drilling programme utilises one RC drill rig for pre-collars and two diamond drill rigs for the diamond tails. Since the programme is designed to be scalable (new programmes are subject to PIRSA approval) a third diamond drill rig has been secured.

By the end of the quarter 2,928m had been drilled with all pre-collars complete (excluding Fairview) and diamond drilling well underway at Ben's Hill and Murphy South.

At Murphy South permission was granted by Primary Industries and Resources South Australia (PIRSA) to extend the existing traverse of three holes by an additional five for a total of eight holes (Figure 5). This was requested since significant thicknesses of magnetite gneiss were intersected in the initial three holes suggesting structural thickening and extension of magnetite gneiss to the south. Drill holes completed since the initial request support the proposition and magnetite gneiss of significant thickness has been intersected in the additional holes situated to the south.

It is possible that destructive interference of the magnetic analytic signal across a tight fold structure may be masking the true potential of this area to host a substantial deposit of magnetite. Every drill hole on this traverse has intersected significant magnetite gneiss that in several instances have continuous down hole thicknesses exceeding 120m.

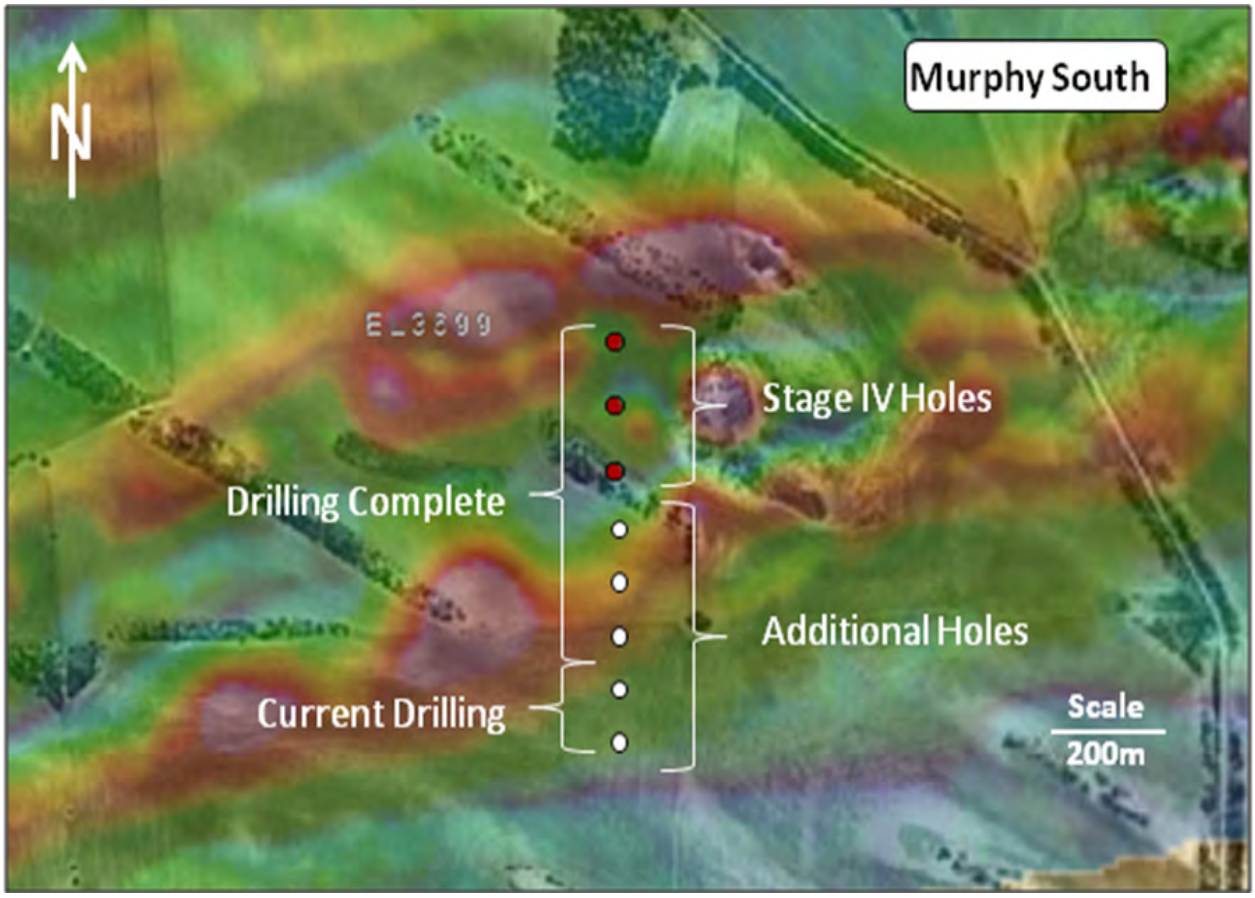

Figure 5 **Plan view of Murphy South drill holes superimposed on magnetic analytic signal**

Structural Study

Iron Road engaged Coffey Mining early in the exploratory drilling of Boo-Loo to better understand the structural geology of the prospect and the geology of the tenement as a whole. All diamond core is oriented and logged from a geological, structural and geotechnical point of view. Several structural and geotechnical measurements are routinely made that are analysed to reconstruct the geology and aid in mineral resource modelling. This work is critical since there is no exposure of the geology at CEIP and an understanding of the structural style allows for the construction of a predictive geological model necessary for successful target generation across the tenement.

Pre-Feasibility Study

On 31 March 2010 Iron Road announced that a pre-feasibility study (PFS) of the Central Eyre Iron Project (CEIP) had been awarded to Mineral Engineering Technical Services Pty Ltd (METS).

The PFS encompasses the Central Eyre Iron Project comprising three significant iron occurrences (Warramboo, Kopi & Hambidge) with an exploration target of 2.8-5.7 billion tonnes magnetite gneiss. The PFS commenced during April 2010 and is targeted for completion in early 2011.

The PFS will run in parallel with an aggressive drilling campaign at the CEIP during 2010, significantly accelerating progress at the Project. Completion of a favourable PFS is the next stage of Iron Road's development, as the Company works towards becoming an independent producer of quality iron ore concentrate.

The following companies have been engaged to complete various components of the study.

- **Evans & Peck** – study oversight, project implementation plan, scheduling, personnel, risk & opportunity management;
- **Coffey Mining** – geology, geotechnical, structural and mining;
- **Mineral Engineering Technical Services** (METS) – metallurgical test work (including dry magnetic separation), beneficiation plant design, mine site infrastructure, mine to port concentrate transport and power supply;
- **Sinclair, Knight, Mertz** (SKM) – Port options and ground water;
- **Community Engagement Group Australia** (CEGA) - Community engagement and access;
- **Aldam Geoscience** – approvals pathway; and
- Various consultants are contributing to the marketing, environment, financial analysis portions.

The PFS is on schedule and metallurgical test work is well underway with some early encouraging results. There is strengthening potential for the Central Eyre project to become one of the major magnetite iron ore projects currently under review in Australia.

South Australia – Gawler Iron Project

The Gawler Iron Project is located 25 kilometres north of the Trans Australian Railway and within 100 kilometres of the Central Australia Railway in South Australia. Iron Road has a farm-in agreement with tenement holder Dominion Gold Operations to earn up to 90% interest in the iron ore rights.

Completion of Stage I Drilling

A programme of seventy-one inclined RC drill holes for 6,184m was completed on 15 May 2010, testing geophysical anomalies identified from detailed aeromagnetic and gravity surveys conducted by Iron Road previously. Nine target areas, including six targets below Tertiary cover, were explored by RC drill traverses (refer Figure 6).

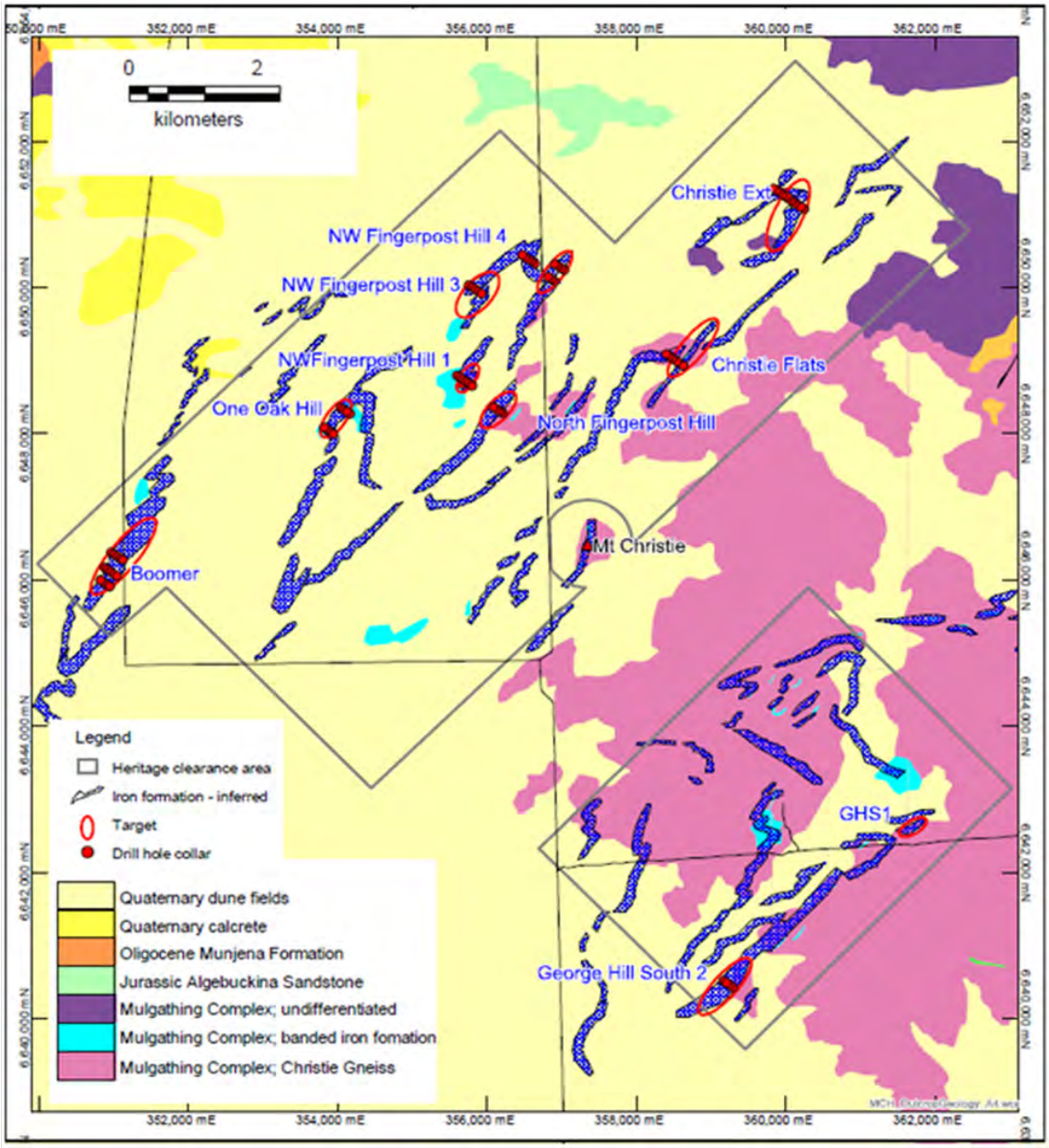

Figure 6 **Target areas and drill traverses with outline of interpreted banded iron formation**

Magnetite-gneiss capped by a 10 to 55m thick zone of oxidized hematite-rich material was encountered at all target areas. The interpreted true thickness of individual magnetite gneiss units is typically in the range 10 to 60m but significantly wider zones are present in areas with structural thickening due to folding and faulting of the rocks. This is particularly evident at the Northwest Fingerpost Hill 1 and Boomer Targets that appear to be the most prospective targets tested.

Northwest Fingerpost Hill 1 is situated in a large-scale antiform which forms a distinct hill with some of the best outcrops of small-scale second-order folding in the project area (Figure 7). It contains significant near-surface hematite-rich mineralisation which extends over a 250m wide zone to a depth of 55m and occurs as a cap on folded magnetite gneiss.

Figure 7 **NW Fingerpost Hill 1, next to the drill line**

The Boomer prospect is a newly discovered magnetite deposit situated below 25m of cover. The magnetite mineralization has a thin cap of hematite-rich mineralization and occurs in an up to 110m wide zone of steeply dipping and complexly folded and faulted magnetite. The magnetite gneiss has been traced along strike for at least 500m and is also open at depth.

Stage I drilling clearly demonstrates the important correlation between geophysics and the distribution of iron formation. The general trace of magnetic units is apparent in the aeromagnetic data but the near-surface locations of significant bodies of iron formation invariably coincide with gravity highs. The gravity data has been used to estimate the potential strike continuation of major Iron Formations intersected in the drilling.

Monitoring of Drilling Programme

Several Antakarinja Matu-Yankunytjatjara native title claimants took part in a successful visit to site during the Stage I drilling programme. This forms part of an ongoing monitoring programme of drilling operations at Gawler.

Figure 8 **The footprint created by drilling operations is kept to a minimum**

Pace Grant

The South Australian Government awarded Iron Road a grant for diamond drilling at the Gawler Iron Project. Funding to the level of A$60,000 has been approved as part of the South Australian Government's Plan for Accelerating Exploration (PACE) initiative under *Theme 2 – Drilling Collaboration between PIRSA and Industry*. Only 23 projects from 63 proposals were successful.

The Gawler area has until now not been systematically explored for iron ore despite reconnaissance drilling of surface outcrops by the South Australian government in the 1960's identifying several BIF-hosted iron deposits. A proposed diamond drilling programme planned as part of Stage II drilling, supported by the approved PACE funding, will test several targets tested during Stage I drilling as well as a new untested target.

This contribution towards the cost of Stage II drilling is considered an important endorsement of Iron Road's exploration effort in the underexplored north-western area of the Gawler Craton.

Current Work

A report for the Stage I drilling programme is in final preparation. Stage II drilling programme planning is underway and an EWA for submission to PIRSA is being finalised. The Company's metallurgical consultants have made recommendations for a test work programme and several drill holes from Stage II drilling will be dedicated for this purpose.

CORPORATE

Iron Road continued discussions with potential industrial partners with a view to further accelerating activities at its Central Eyre Iron Project.

Appointment of Geology Manager

Iron Road Limited has appointed Mr Milo Res as Geology Manager to manage all aspects of the geology function with particular emphasis on the CEIP.

Mr Res is a geologist, with approximately 30 years mining industry experience in Australia and Africa. He graduated with a BSc (Hons) Geology degree from University of Pretoria and MSc Geology degree from Potchefstroom University in South Africa.

During his career Mr Res has been involved in wide range of mining and exploration activities including gold, nickel and iron ore. He was a key member of the Fortescue Metals Group Ltd team developing the Cloudbreak iron ore mining project in the Pilbara and more recently actively participated in the Jack Hills magnetite/hematite mining and development project for Crosslands Resources in the mid-west region of Western Australia.

Figure 9 **Drilling at the Central Eyre Iron Project**

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 mineral 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 (Fe_2O_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 Fe_3O_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.

Aeromag survey – Short for aeromagnetic survey, an aeromag survey is a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

Gravity survey – A geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

Martite – The name given for Hematite pseudomorphs after Magnetite. More simply put primary magnetite that has been totally replaced by secondary hematite through oxidation.

Specularite – A black or gray variety of hematite with brilliant metallic luster, occurring in micaceous / foliated masses or in tabular or disk-like crystals. Also known as specular iron.

Competent Person's Statement

The information in this report that relates to Exploration Results 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 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 Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

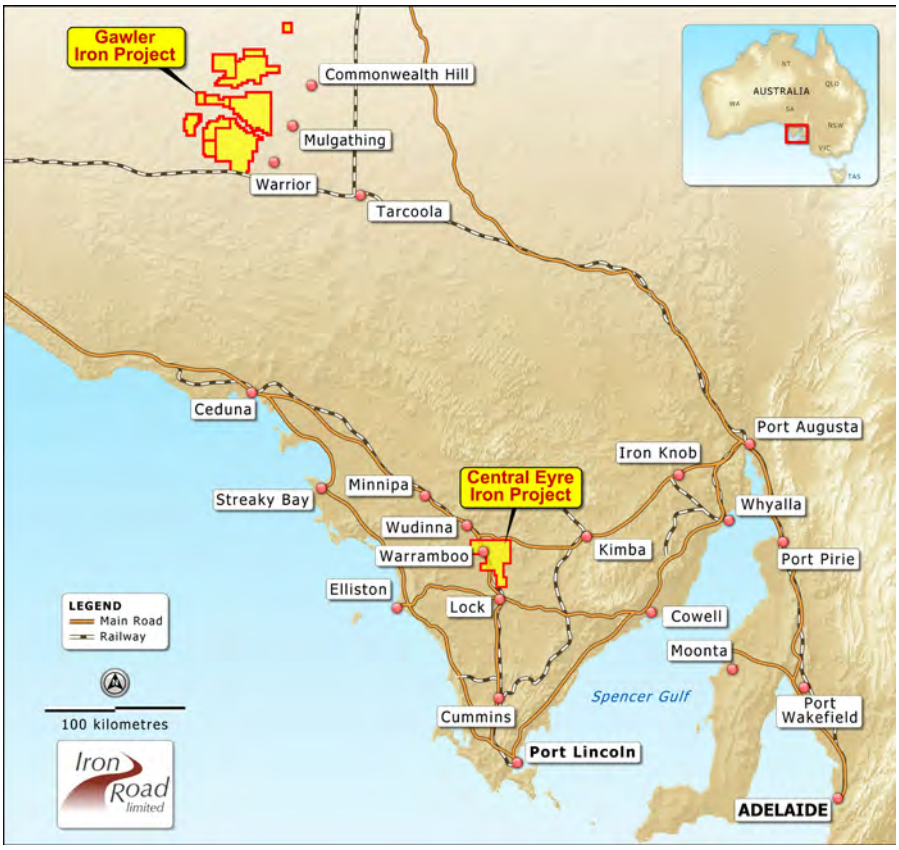

Figure 10 **Location of the Company's South Australian projects**

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.

The information in this report that relates to exploration targets 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 the Boo-Loo prospect.

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Memorandum

Date:	29 June 2010
Company:	Iron Road Ltd
Attention:	Larry Ingle
Copy:	Alex Virisheff
From:	Iain Macfarlane
Subject:	**Resource Estimation at Boo-Loo and Dolphin Magnetite Prospects**

Dear Larry

The Mineral Resource estimate for magnetite and goethite maghemite mineralisation at the Boo-Loo and Dolphin Magnetite Prospects is complete. The Mineral Resource Statement as at 28 June 2010 is tabulated overleaf.

The information in the report which relates to the Mineral Resource is based on information compiled by Iain Macfarlane and Alex Virisheff, who are Members of The Australasian Institute of Mining and Metallurgy. Iain Macfarlane and Alex Virisheff are employed by Coffey Mining Ltd.

Iain Macfarlane and Alex Virisheff have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

For and on behalf of Coffey Mining Pty Ltd

Iain Macfarlane
Senior Resource Geologist

Alex Virisheff
Principal Resource Geologist

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Table 1

Iron Road Limited
Warramboo Iron Ore Project
Boo-Loo and Dolphin Magnetite Prospects

Mineral Resources
Grade Tonnage – 28th June 2010

Reported within Material Type Horizons
Fresh (Magnetite) and Transitional (Mixed - Magnetite and Hematite) and Oxidised (Mixed - Goethite / Maghemite, Hematite and Magnetite)

Lower Grade Cutoff of 12% Fe Applied
Whole Rock Grades Reported

Resource Classification	Material Type	(Mt)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%	CaO%	K_2O%	MgO%	MnO%	S%	TiO_2%
Inferred	Fresh	277	17.3	52.5	11.5	0.095	0.5	2.1	2.5	2.8	0.7	0.07	0.6
	Transition	13	17.0	52.4	11.6	0.094	10.7	0.4	1.2	0.9	0.2	0.14	0.5
	Oxidised	38	17.2	52.1	11.6	0.094	10.8	0.4	1.2	1.0	0.3	0.17	0.6
Total		328	17.3	52.4	11.5	0.095	2.1	1.8	2.3	2.5	0.6	0.08	0.6

Notes:

- There is drilling coverage for the whole rock grades (in total 11 grade items) on a 100m by 200m grid over the target areas, drilling being aligned along sections orientated north south. Indications are that the strongly metamorphosed host rocks were originally part of a clastic sedimentary sequence. It is not yet understood whether the iron mineralisation is remnant (deposited at the same time as the clastic sequence) or was subsequently introduced. These host rocks, were intersected by 92 drillholes. Of these 13 were reverse circulation (RC) drillholes, the rest being collared by RC drilling with diamond tails.
- Statistical analyses on samples and 4m composites were completed. Variography was also conducted as input into the grade estimation.
- Grade estimates were calculated for 100m (east-west) by 50m (north-south) by 10m (vertical) blocks. The method used to obtain grade estimates was Ordinary Kriging.
- Average in situ dry bulk densities were applied. For the various fresh host rocks, the bulk density value 3.1t/m^3 as used in the 2009 resource estimate has been employed. Density measurements obtained from downhole geophysical methods were assessed. These are believed to understate actual densities. Data is also clustered and so is not representative of the prospect area as a whole. Further work is required in this aspect. Determinations have been carried out to ascertain in situ dry bulk density for the transition and oxidised materials. Estimated values of 2.8t/m^3 and 2.5t/m^3 respectively have been assigned to these materials.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality. The requirements for infill drilling, together with uncertainties in geological interpretation and mineralisation envelopes in the more structurally complex zones have resulted in the resource being classified as an Inferred Mineral Resource.
- Davis Tube testwork (DTT) has been undertaken to determine the percent weight recovery (DTR) of magnetic material (concentrate). The concentrate has then been assayed to establish its grade characteristics.
- Samples obtained from the existing drilling were composited to a nominal 4m interval and were submitted for Davis Tube testwork. Samples were predominantly taken from the unoxidised (fresh) portion of the selected drillholes.
- As the concentrate grades are representative of the recovered portion only, the estimation requires the use of service variables to ensure the blocks are appropriately weighted. Service variables are calculated as DTR multiplied Fe grade, DTR multiplied SiO_2, DTR multiplied Al_2O_3 and so on for the remaining grade items (11 in all).
- Statistical analyses were also completed on DTT samples, subsequent 4m composites and service variables. Variography was undertaken on DTR, concentrate grades and service variables.
- Ordinary Kriging was used to obtain estimates of DTR and service variables. However, the reduced density of DTT data resulted in a large proportion of blocks being unestimated. As a consequence, the confidence level in the DTR and concentrate grade estimates is considered to be low.
- Hence, mean values were derived from composite DTT data values to indicate the possible recovery and concentrate characteristics. (Note: samples selected for DTT composites were on the basis of geological logging of magnetite-rich horizons or whole rock Fe grades > 8%). They indicate that the DTR is likely to be in the order of 21% and the concentrate grade approximately 70% Fe, 1.3% SiO_2, 1.0% Al_2O_3, 0.003% P, -3.3% LOI, 0.04% CaO, 0.05% K_2O, 0.18% MgO, 0.6% MnO, 0.01% S and 0.18% TiO_2. These recoveries apply only to the fresh material. Testwork has yet to be carried out on transition and oxide materials.