Quarterly Activities Report

for the period ended 31 December 2012

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 including a well-located development stage project, complemented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of premium iron concentrate for export. A definitive feasibility study is currently assessing production of 20Mtpa of iron concentrates.

Metallurgical test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of -106µm grading 67% iron with low impurities.

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

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Iron Road continued advancing the flagship Central Eyre Iron Project (CEIP), with the Definitive Feasibility Study continuing to progress well.

Significantly, Iron Road announced that the CEIP would see the development of a deep water, multi-user, bulk export facility on the eastern Eyre Peninsula, coupled with a standard gauge heavy railway linking the mine to the port, which may also be integrated into the national rail system.

This infrastructure will have considerable benefit for the long term economic development of South Australia.

Highlights

Central Eyre Iron Project

- Iron Road released its proposal to develop a multi-user, deep water port to service the CEIP and others. 1,100 hectares of land at Cape Hardy was acquired to support the proposal.
- Concentrate marketing, based on the CEIP product grade of 67% iron, grind size of 106 micron (p80), continued to receive strong positive feedback from Asian steel plants.
- The Mineral Resource Estimate for the initial phase of the Stage VII drilling programme (Rob Roy) increased the global resource to 2.6Bt (from 2.1Bt) at a grade of 16% iron (Refer to Mineral Resource estimate on page 14). Drilling is continuing and is expected to further increase the Mineral Resources for the CEIP.
- The Owner's team continued to source and develop the necessary construction materials, heavy equipment and construction processes required for the new port at Cape Hardy.
- Engineering and Design Service (EDS) providers continued work on packages for mining, process plant, tailings and infrastructure (port, rail, water, roads and stockyards).
- SKM were appointed to prepare a final environmental impact assessment, built upon the existing baseline studies. Initial hydrogeological monitoring well installation programme was completed.
- ElectraNet completed the Regulatory Investment Test – Transmission (RIT-T) Project Assessment draft report as part of the continuing electrical power review process.
- Iron Road's geological field facility at 'Crow's Nest', on the Eyre Peninsula, became fully operational. The majority of construction came from local and South Australian based service providers.

Gawler Iron Project

- An Exploration Work Approval (EWA) has been submitted to DMITRE and drilling is expected to commence during the first Quarter of 2013.
- Drilling will support the Gawler scoping study to be completed in mid-2013, evaluating the feasibility of an iron ore operation producing 1-2 million tonnes of high quality iron concentrates per annum, following a fast track development.

Corporate

- The Iron Road Board was strengthened in preparation for the next stage of development with the appointment of Mr Peter Cassidy to chair the board and Mr Leigh Hall AM as a non-executive director.
- The Iron Road team was also strengthened with the engagement of a Project Manager to oversee the CEIP beyond the DFS and an Environmental Manager to facilitate the progress of environmental studies and Environmental Impact Assessment.

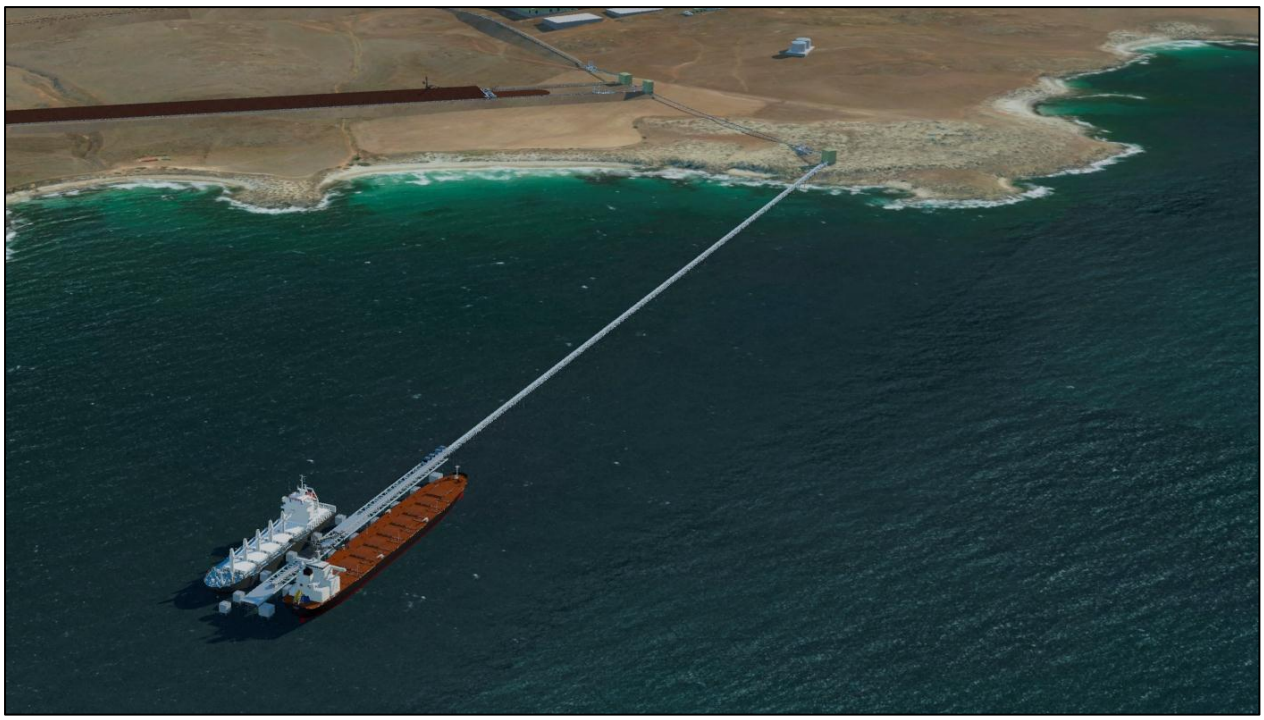


Figure 1 **Artist's rendering of Handymax and Capesize Vessel docked at proposed port for loading.**

Projects

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (CEIP) is located on the Eyre Peninsula of South Australia, within a grain farming district, approximately 30km southeast of the regional centre of Wudinna. The CEIP concentrate is being marketed as a high quality blending feedstock to the international sinter market, which feeds the majority of blast furnaces.

Current global mineral resources at the CEIP are 2.6 billion tonnes magnetite gneiss at 16% iron[1] following an upgrade that incorporated part of the Stage VII expansion drilling programme at 'Rob Roy'. The upgrade is the result of drilling the first part of an exploration target for the Stage VII programme of 700-900Mt magnetite gneiss with a grade of 16-18% iron.[2] With current drilling continuing in the Stage VII 'Rob Roy' area and near vicinity, the potential to attain or exceed 3.0 billion tonnes magnetite gneiss is

[1] *Refer Mineral Resource statement page 14 and Competent Person's Statement at page 15.*

[2] *It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. 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, Dolphin and Murphy South prospects.*

considered good. Throughout the life of the CEIP, Iron Road has consistently recorded Mineral Resources, following drilling programmes, in line with the original exploration target estimates.

This additional mineralisation is expected to be defined through the extension of the Murphy South and Rob Roy mineralisation through diamond drilling, both along strike and down dip.

Definitive Feasibility Study (DFS)

A large-scale magnetite mine and beneficiation operation is being studied with a potential life exceeding 30 years. Ore treatment and tailings storage facilities, as well as concentrate stockyards, are being planned to deliver high-grade concentrates containing 67% iron at a relatively coarse size distribution of (80% passing) -106µm.

The annual production of 20Mt of magnetite concentrate will be transported along a new, standard gauge railway to a port situated at Cape Hardy on the east coast of the Eyre Peninsula. Stockyards, reclaim, jetty and load-out systems will be established to load ships of various sizes, from Handymax (50,000t) to Capesize (220,000t) vessels.

A utilities corridor may also be used for the power transmission line and supply of sea water for ore treatment to the mine and ore beneficiation plant site. A water treatment and storage facility is planned to produce fresh water for concentrate washing and potable water for the construction village and domestic use.

Studies and investigations which relate to planning approvals, environmental topics and mine lease submissions will continue through 2013. Study schedules show that estimates of capital and operating costs will be established through 2013, followed by compilation and publication of the DFS Report.

SKM have coordinated the ongoing environmental baseline studies and field investigations across each of the project areas to support regulatory submissions. Studies, investigations and document preparation for planning approvals will continue throughout 2013.

Mine, Processing Plant and Associated Infrastructure

Tenova Projects (formerly Bateman) completed a preliminary process plant layout and commenced engineering calculations for both the dry and wet process plant areas.

SKM has continued preliminary engineering design of major infrastructure components, including port, rail and roads to enable an Initial Development Application to be submitted to the Government of South Australia during the first half of 2013.

The design work advanced well, particularly in the areas of:

- Port marine; including tug capacity, wharf and jetty layouts and potential module offloading facilities.
- Port infrastructure, including bulk earthworks, stormwater management and treatment, local roads, fuel systems and physical and operational security (Figure 2).
- Materials handling including dust control for ship loader and stockyard, conveyors, rail car dumper and chemical veneering of rail wagons and stockyards.
- Rail system including overpass bridges for the Lincoln Highway, existing narrow gauge rail, water courses and road crossings.
- Simulation modelling of train operations, which confirmed the engineering requirements for the rail alignment to enable community consultation for the rail route options to commence during the first Quarter 2013.
- Further analysis of maritime conditions has confirmed preliminary tug arrangements for operation of the port with the alignment of the marine structures adjusted to optimise for winter wave conditions.

- Planning for detailed geotechnical investigations to commence during the first Quarter of 2013 to confirm engineering parameters necessary to enable preliminary design of foundations for the major port and rail system structures.

Figure 2 **Conceptual layout of the port facility at Cape Hardy.**

Iron Road acquired 1,100 hectares of land at Cape Hardy to enable development of a 'Capesize' port to service the CEIP. Cape Hardy is located on the eastern side of the Eyre Peninsula approximately 150 kilometres south-east of the CEIP mine site. Cape Hardy will have an initial capacity of 30Mtpa, with 10Mtpa of the capacity potentially available for third parties. It is planned to construct a heavy haulage standard gauge rail line between Cape Hardy and CEIP mine site. The rail network may be expanded to connect with the existing national rail network giving Capesize port access to approximately 25% of Australia's land mass. The port site has relatively benign weather year round, with no seasonal cyclonic activity to hinder operations.

At the request of the Department of Transport (SA), bathymetric survey data produced by Iron Road during development of the port study has been shared with government bodies to improve the accuracy of the national marine charts.

A comparative study of the water supply pipeline between the port and mine site was completed by AECOM, enabling the selection of pipeline material and location of booster pump stations.

The initial hydrogeological drilling programme was completed. The programme involved installation of eight groundwater monitoring wells which will be used initially to establish baseline groundwater conditions and subsequent ongoing groundwater monitoring (Figure 3). Scheduling of a proposed pumping test has been revised and is now planned for mid-2013.

Figure 3 **Capped groundwater monitoring hole east of Murphy Road.**

Mining studies continued with the compilation and review of design and cost parameters to be used in open pit optimisation and design work. Studies in progress included mobile equipment selection, preparation of preliminary unit mining cost models and ongoing geotechnical assessment of wall angles and wall geometry. A drill and blast study, along with fragmentation analysis, is also underway.

A preliminary design of the tailings storage facility was completed. This work is being reviewed in preparation for the next phase of study.

Iron Road's engagement with ElectraNet continued towards the Regulatory Investment Test for Transmission (RIT-T) and a draft report received. The preferred option for power transmission to the CEIP and associated upgrade to the existing power network on Eyre Peninsula will depend upon the outcome of the RIT-T procedure and acceptance by the national electricity Regulator.

Geological reconnaissance of existing and potential quarry locations to supply aggregate to the project was supported by geotechnical drilling and pitting at several locations within the proposed port site boundary. Results of strength and quality tests are being evaluated.

Metallurgical Test Work

Metallurgical investigation continued with high pressure rolls crusher (HPRC) pilot testing of representative bulk samples completed in Perth, with reports pending. Results will verify the relationship between energy input and mineral release for samples of typical ore. A series of rougher and cleaner magnetic separation tests were completed along with Davis Tube tests. QEMScan analysis of coarse and fine size fractions was completed in late December 2012 and analysis of the results is underway. Planning has commenced for pilot scale treatment of an approximately four tonnes of composite sample to confirm sizing and operational parameters for key equipment, including mill motor size, screen and cyclone configurations.

Process simulation for beneficiation circuit performance and prediction of potential enhancement of magnetite recovery, will assist in the estimation of Ore Reserves. Opportunities to enhance iron recovery, by gravity techniques for increased magnetite and hematite delivery to concentrate, will be analysed through process modelling and circuit simulation. Potential improvement of grinding process efficiencies is being investigated, with significant savings identified.

Marketing

Preliminary results from the granulation and sintering test work being carried out on the CEIP 800kg sample by the highly regarded *China Iron and Steel Research Institute Group* (CISRI) in Beijing has proved positive.

This CISRI test work has demonstrated that CEIP concentrates (p80 -106µm) can be successfully and competitively substituted for both Pilbara and Brazilian fines in sinter blends of up to 30% of the total sinter iron ore feed. In addition, the test work has demonstrated that CEIP concentrate may also be readily substituted for high grade domestic Chinese concentrate with positive sintering performance. In respect to important performance measurement criteria, the usage of CEIP concentrates was shown to offer an economic advantage when compared to hematite fines.

The positive results are seen by Iron Road as a key marketing tool in seeking expressions of interest from Chinese steel mills for the CEIP concentrate.

The full CISRI test program, including results of pellet feed substitution of CEIP concentrates for high quality domestic Chinese concentrates, is expected to be completed during Q2, 2013.

Visits by Iron Road staff to a range of Chinese steel mills undertaken during the Quarter, to assess the suitability and interest in potential future off-take of concentrates for sinter blend, continued to be received positively. Further visits will be undertaken early 2013.

Stage VII Resource Expansion Drilling – Rob Roy

The Stage VII 'Rob Roy' drilling programme continued during the reporting period.

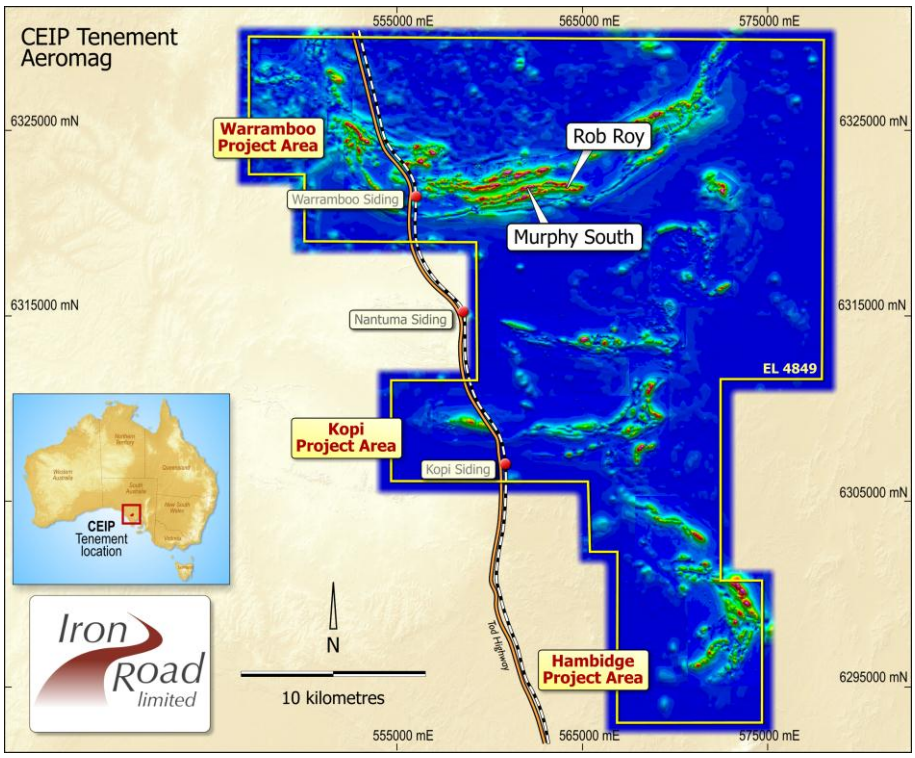
The purpose of the Stage VII 'Rob Roy' drilling programme is to delineate and evaluate the eastern extension of the approximately 6km long Murphy South magnetite gneiss orebody, both along strike and dip, by means of thirteen evenly spaced drilling traverses (Figures 4 and 5).

The area targeted by the drilling at the Rob Roy prospect covers approximately 1000m (width) x 2,600m (length), with all holes being NQ2 diamond core once in fresh rock. Individual diamond holes range from 100m to 700m in depth with drilling on a standard 200m x 100m grid pattern.

The programme progressed as planned with a total of thirty holes completed during the Quarter for 10,264m. Since commencement of Stage VII drilling in November 2011 a total of 98 holes have been completed for 34,591m. The final portion of the programme is currently being drilled (Figure 6).

Figure 4

CEIP tenement highlighting Murphy South and Rob Roy prospects.



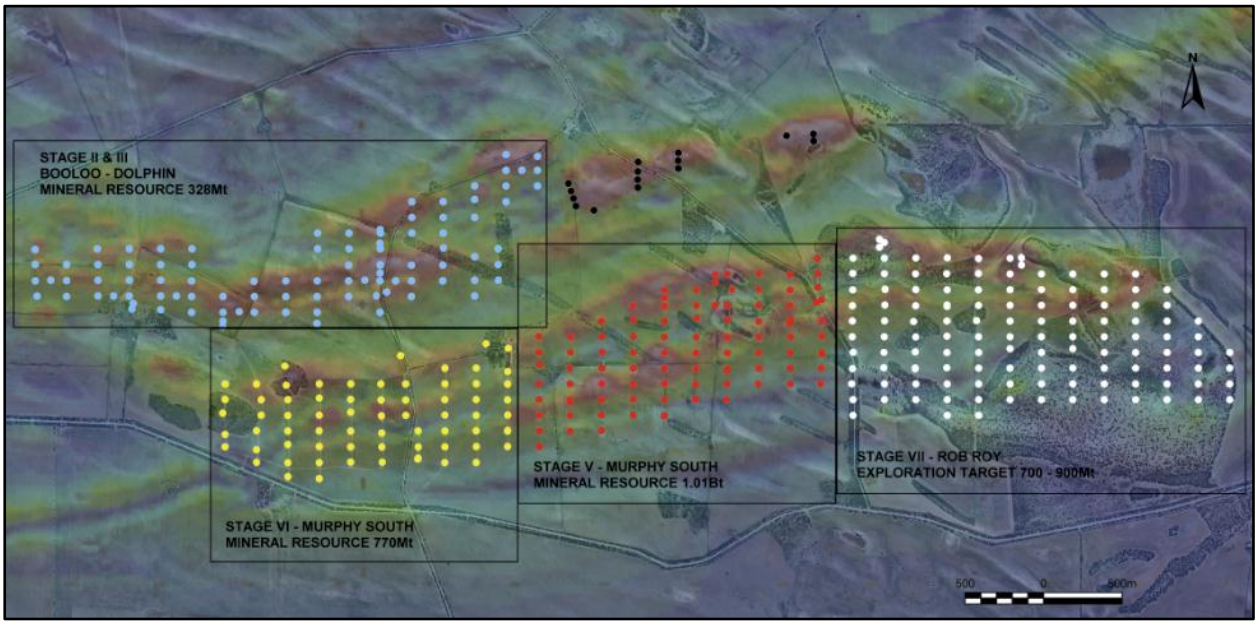


Figure 5 **Plan view of Boo-Loo, Murphy South and current Rob Roy resource expansion drilling programme.**

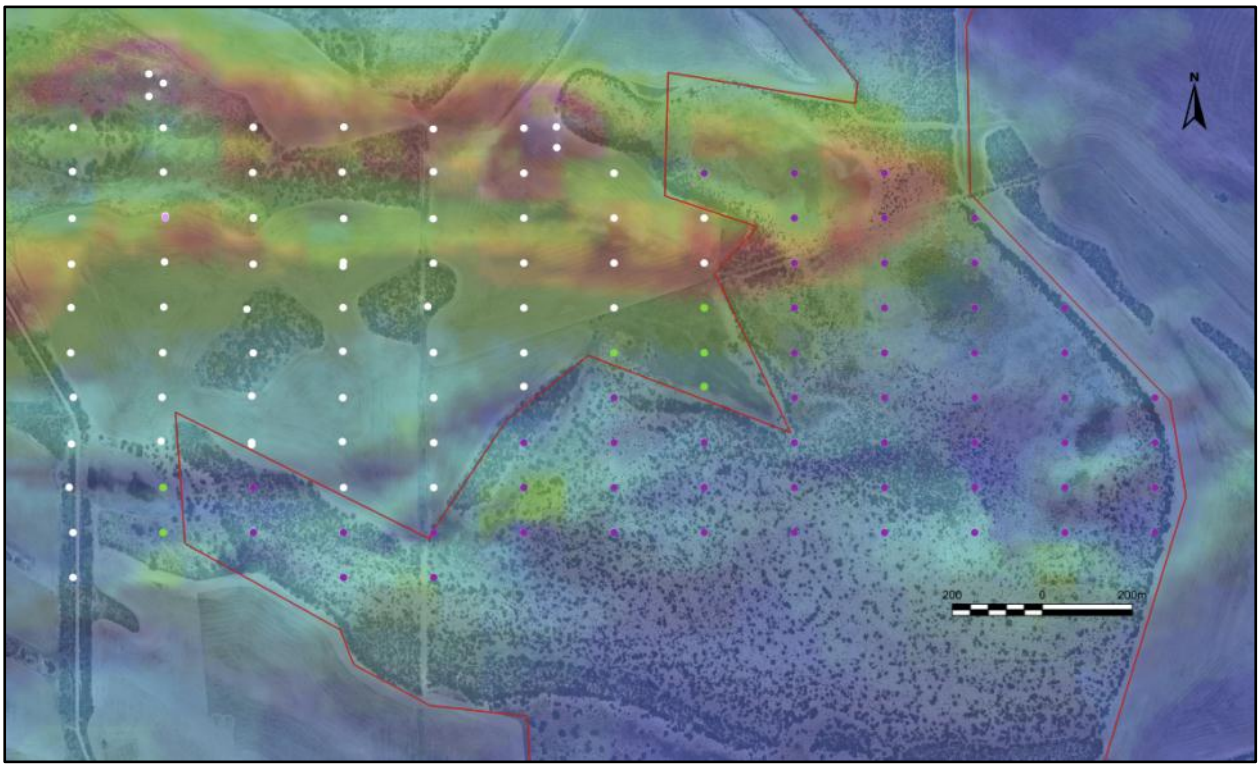


Figure 6 **Plan view of Stage VII 'Rob Roy' drilling collars and traverses A to K.**

Drilling results from most holes on sections A to H, shown in white (Figure 6), were used to model and calculate the initial Stage VII 'Rob Roy' mineral resource of 493 million tonnes magnetite gneiss at 16% iron (Table 1).

Data generated from the first part of the Stage VII drilling programme resulted in an upgrade of the global Mineral Resource from 2.1Bt to 2.6Bt magnetite gneiss at 16% iron[1] (Table 2). This additional resource forms a part of an exploration target of 700-900Mt magnetite gneiss at the 'Rob Roy' prospect with an estimated grade of 16-18% iron[3] suggesting that a combined, or global, Mineral Resource estimate of approximately 3.0Bt is possible for the combined Boo-Loo, Murphy South and Rob Roy areas.

Table 1 Summary of the Stage VII Phase 1 Mineral Resource Estimate

Rob Roy Mineral Resource Estimate							
Resource Classification	**Oxidation**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**P (%)**	**LOI (%)**
Inferred	Fresh	493	16	54	13	0.08	0.4
Total Rob Roy		493	16	54	13	0.08	0.4

The Rob Roy mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Iron Road and Peer reviewed by Xstract Mining Consultants.

[3] *It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. 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, Dolphin and Murphy South prospects.*

Table 2 Summary Global Mineral Resource Estimate for CEIP

CEIP Global Mineral Resource							
Location	**Classification**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**P (%)**	**LOI (%)**
Murphy South – Rob Roy	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
	Inferred	1,161	16	54	13	0.08	0.9
Boo-Loo	Inferred	328	17	52	11	0.09	2.1
Total		**2,597**	**16**	**53**	**13**	**0.08**	**0.8**

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (Murphy South and Boo-Loo) and Iron Road Limited with peer review by Xstract Mining Consultants

With the establishment of 2.6 Billion tonnes in Mineral Resources at CEIP, Iron Road continues to demonstrate the necessary size and scale of resource to underpin the establishment of a potential long life 20Mtpa high grade iron concentrate export operation and the development of associated export infrastructure.

Figure 7 **Diamond drilling at Stage VII 'Rob Roy'.**

Boo-Loo – Murphy South Gap Exploratory Drilling

To better understand the relationship between the Boo-Loo and Murphy South orebodies at depth, two drill sites at separate localities were designed to test the area between the orebodies (Figure 8). Gap drilling involved the deepening of an existing geotechnical hole (IRD349) from 200m depth and drilling a second hole (IRD449) from the surface; designed to clarify the structural relationship between the two areas.

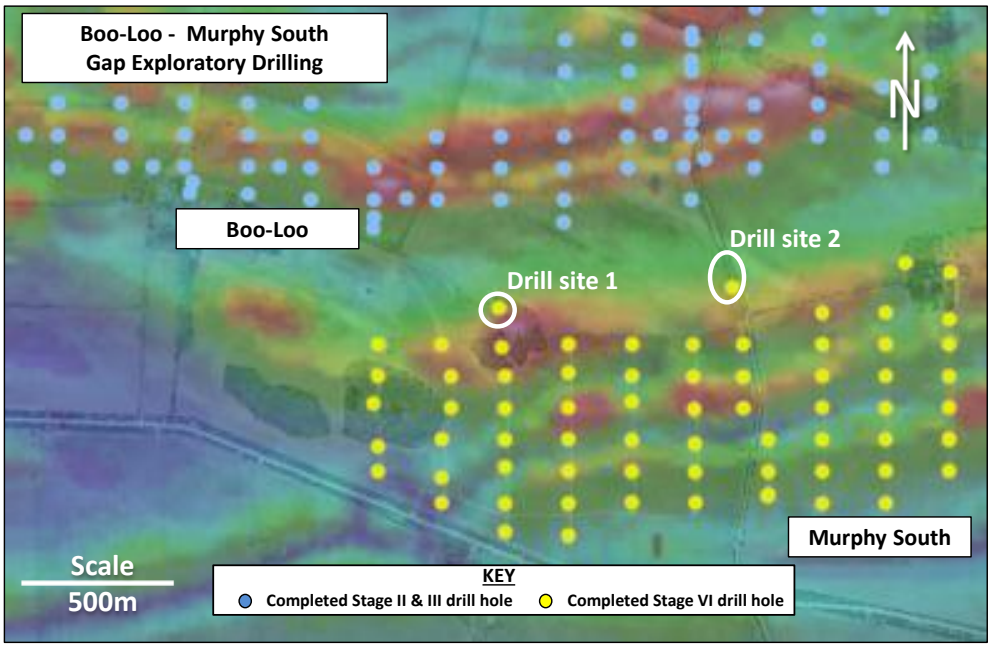


Figure 8 **Boo-Loo - Murphy South Gap drill sit 1 & 2 locality plan.**

Both holes established the occurrence of magnetite gneiss mineralisation at depth (Figure 9). In case of the IRD349 the mineralisation started from 494m down hole depth and continued to 692m with an EOH depth at 702m. In drill hole IRD449 continuous mineralisation was intersected from 339m to 516m with an EOH depth at 534m. These intercepts support the down-dip continuity of the Boo-Loo magnetite mineralisation. A limited programme of three drill holes 800m due east and along strike from these holes is planned to commence Q1, 2013 to test the continuity of the magnetite mineralisation (Figure 10).

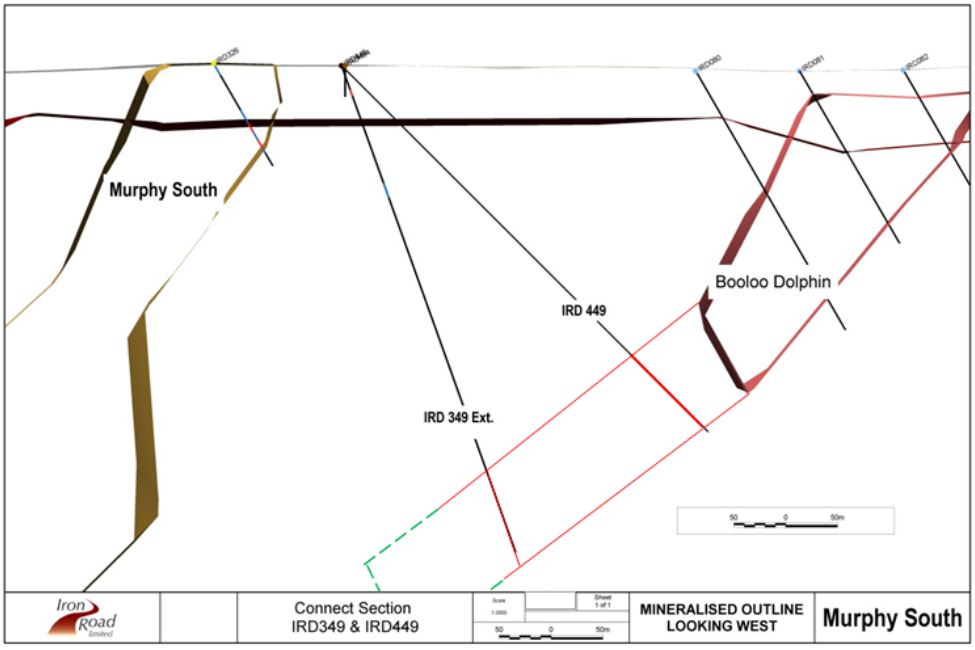


Figure 9 **Drill site 1: Cross-section of Boo Loo–Murphy South Gap drilling, looking west.**

CEIP Geological Facility

Iron Road's geological facility at 'Crow's Nest', east of Kyancutta on the Eyre Peninsula, became operational in December 2012. This establishment offers modern core and sample processing facilities, accommodation for field staff and storage facilities. It is expected to significantly contribute to increased safety, efficiency and productivity (Figure 10).

Construction was undertaken by a majority of local and South Australian suppliers. Accommodation units were supplied from Adelaide. Earthworks, concreting, shed erection, plumbing, building renovations, electrical, television and telephone connections, air-conditioning, verandas, decking and gates were provided by businesses located on the Eyre Peninsula.

Figure 11 **'Crow's Nest' – Iron Road Geological Facility at Kyancutta on Eyre Peninsula.**

Community Engagement

Iron Road's General Manager and Community Engagement Advisor presented a project overview to the Country Women's Association in Wudinna during December 2012, with representatives present from Wudinna, Warramboo and Lock.

No formal community engagement was undertaken during the Quarter due to harvest and other farming activities in the region, although the Wudinna field office continued to be staffed for two days per fortnight during October and November 2012.

A comprehensive Stakeholder and Community Engagement Plan for the Company's proposed export solution at Cape Hardy was prepared with the assistance of Community Engagement Group Australia. Formal consultation with the community around Tumby Bay and Port Neill will commence during February 2013.

South Australia – Gawler Iron Project

The Gawler Iron Project scoping study commenced, examining the feasibility of an iron ore mining and beneficiation operation producing 1-2 million tonnes of iron concentrates per annum. Iron Road expects that such a development could potentially deliver a rapid development option.

The tender process for the drilling programme is complete award of the contract will be initiated upon approval of the programme by the Regulator. Results from the diamond drilling will be fed into the metallurgical test programme and testing by equipment suppliers in Europe. RC drilling is also planned to commence following the diamond drilling programme.

Iron Road has prepared preliminary process plant flow sheets for review by Loesche GmbH and other potential OEM equipment suppliers. The technical specification for the metallurgical test work programme has been prepared and is ready for commercial enquiry.

The infrastructure component of the scoping study has commenced with:

- *Flinders Ports* and *Genesee & Wyoming* preparing options for concentrate transportation from the mine site to export ports; and
- *McMahon Services* providing advice on camp accommodation and process plant amenities.

Enquiries will be issued during Q1, 2013 for evaluation and costing of:

- Water supply and treatment;
- Power generation;
- Air transport operations and facilities; and
- Access roads.

CORPORATE

Iron Road appointed two new Board members during the Quarter in preparation for the next stage of development.

Mr Peter Cassidy joined Iron Road as Chairman. (Mr Julian Gosse continued as a non-executive director). Mr Cassidy is a co-founder and Chairman of resources investment fund The Sentient Group, Iron Road's majority shareholder. He is also Chairman of Enirgi Group Corporation and a director of Yunnan Xinli Nonferrous Metals Co. Prior to establishing Sentient, Mr Cassidy established AMP Life's private equity division.

Mr Leigh Hall AM also joined the Board as an independent non-executive Director.

Mr Hall is a highly experienced company director, with a strong background in finance and investment from a career spanning senior executive positions at AMP, membership of a range of investment oversight boards, board positions at securities industry organisations, and significant participation in government advisory boards related to the securities, corporate law, managed funds and superannuation sectors.

Mr Hall's current positions include Director Funds SA, Director Enirgi Group Corp, Chairman of the Compliance Committee for Lazard Asset Management Pacific and Member of the Policy and Compliance Committees for Gresham Private Equity Co-investment Fund.

Founding Director Mr Matthew Keegan stepped down in order to pursue other interests.

Mr Aaron Deans joined Iron Road's executive ranks as Project Manager, as the company continues to develop the CEIP towards production of 20Mtpa of high quality concentrate. Mr Deans is a Project/Construction Manager with over 25 years' experience in all facets of the Mining and Construction industry.

Mr Dean's most recent roles include Onshore Construction Manager of BHP Billiton's $1.6 billion Macedon Gas Project, Mine Construction Lead (Definitive Phase Study) for the FAST joint venture at BHP Billiton's $4 billion RGP 6 mine project and Construction Manager (Owner's team) for Worley Parsons on behalf of Fortescue Metals Group's $7 billion Heng Shan Expansion. Previous experience spans Leighton Contractors, Rio Tinto, BHP–Billiton, nickel, iron ore and the power generation sectors.

Mr Steve Green was appointed Environmental Manager to the Owner's Team to manage in the delivery of the environmental impact assessment. Mr Green, previously working for BHP Billiton, gained successful approval outcomes for one of Australia's most complex projects.

ADDITIONAL INFORMATION – *Glossary*

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.

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.

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).

HBF – Horizontal Belt Filters are commonly used vacuum filters due to their flexibility of operation and suitability to handle large throughputs.

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.

LiDAR – Light Detection and Ranging. LiDAR is an active remote sensing system that uses a laser light beam to measure vertical distance from the features of interest.

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.

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.

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).

HBF – Horizontal Belt Filters are commonly used vacuum filters due to their flexibility of operation and suitability to handle large throughputs.

CEIP Global Mineral Resource							
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Total		**2,597**	**16**	**53**	**13**	**0.08**	**0.8**

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd (Murphy South and Boo-Loo) and Iron Road Limited with peer review by Xstract Mining Consultants Pty Ltd (Rob Roy).

Competent Person's Statement

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

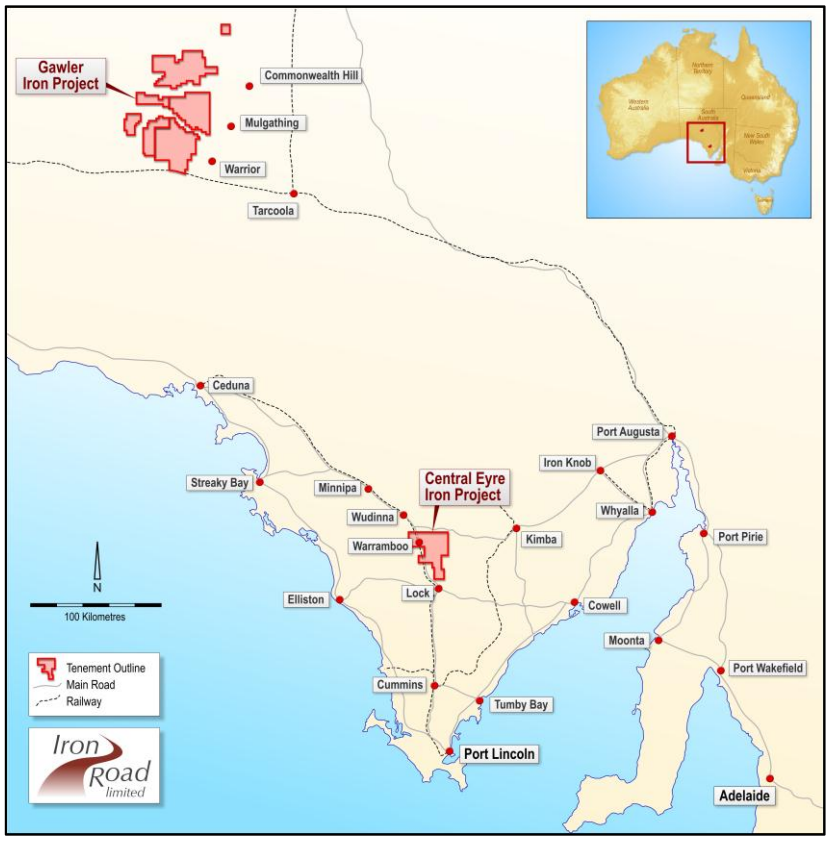


Figure 12 **Location of Iron Road's South Australian projects**

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.

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, 01/06/10.

Name of entity

IRON ROAD LIMITED

ABN	Quarter ended ("current quarter")
51 128 698 108	31 December 2012

Consolidated statement of cash flows

		Current quarter $A'000	Year to date $A'000 (6 months)
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(6,672)	(13,095)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,489)	(2,409)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	373	427
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other		
	GST to be recouped	(12)	(74)
	Net Operating Cash Flows	(7,800)	(15,151)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5,266)	(5,333)
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 (provide details if material)	-	-
	Net investing cash flows	(5,266)	(5,333)
1.13	Total operating and investing cash flows (carried forward)	(13,066)	(20,484)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(13,066)	(20,484)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	16	39,980
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(82)	(1,804)
	Net financing cash flows	(66)	38,176
	Net increase (decrease) in cash held	(13,132)	17,692
1.20	Cash at beginning of quarter/year to date	37,324	6,500
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	24,192	24,192

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	136
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	9,370
4.2	Development	-
4.3	Production	-
4.4	Administration	870
	Total	10,240

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	2,927	1,418
5.2	Deposits at call	21,265	35,906
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	24,192	37,324

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.

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)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	286,143,416	286,143,416		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	7,125,000 7,500,000 2,000,000 3,000,000 625,000 625,000 625,000 625,000 500,000 100,000 100,000 100,000		*Exercise price* $0.1926 $0.3426 $0.1926 $0.3426 $0.1926 $0.2426 $0.2926 $0.3426 $0.9926 $0.9926 $1.2426 $1.4926	*Expiry date* 22/1/13 22/1/13 10/3/13 6/8/13 15/12/14 15/12/14 15/12/14 15/12/14 25/07/16 24/08/16 24/08/16 24/08/16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				

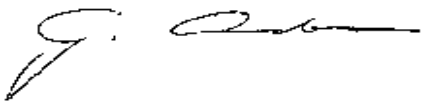
+ See chapter 19 for defined terms.

7.11	**Debentures** *(totals only)*		
7.12	**Unsecured notes** *(totals only)*		

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 /does not* (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 January 2012
(~~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.