

31 July 2014

Quarterly Report 30 June 2014

Wilcherry Hill Project

During the quarter the 62% Fe bench mark price for iron ore, landed in China (CIF), fell from USD\$117 to USD\$94. At the same time the AUD\$ remained strong against the USD\$. In response to the falling iron ore price and heavy discounting of lower grade iron ores, IronClad is amending its production plan. The Stage 1 pit will now focus on high grade (%60 Fe) Direct Shipping Ore (DSO) only. The starter pit is expected to mine approximately 500,000 tonnes over a period of approximately 6 to 7 months.

Stage 2 of the project which is targeted to produce a high grade concentrate (62%Fe to 65% Fe) will be brought forward. Additional metallurgical test work is currently underway to optimise this process. Improved beneficiation will result due to a combination of finer crushing and Dry Magnetic Separation (DMS). The later stages of Stage 2 will employ a Gravity Separation (GS) plant.

Lucky Bay Common User Export Facility (CUEF)

Sea Transport Ltd, as the nominated port operator for the Lucky Bay CUEF is progressing negotiations with SA Government Minister for Transport over the granting of a formal Port Operating Agreement for the CUEF through the Harbours and Navigation Act.

Detail design of the Lucky Bay dock and onshore infrastructure is now complete. Sea Transport is progressing with its detail design of the harbour extension, a deepened existing harbour and the approach channel from Spencer Gulf.

EXPLORATION ACTIVITIES – Ironclad / Trafford Resources JV - Tenements (EL 5164, 5299, 4286 & 4421)

Overview

During the June quarter the Company continued to explore for manganese at its Hercules East, North and Pier Dam Prospects.

Surface geochemistry results confirmed a broad (+/-1000m long) zone of manganese anomalism at Hercules North 2km to the North West of Hercules East.

Exploration in the quarter included reverse circulation drilling at the Hercules prospects and geological mapping at Pier Dam. Drilling at Hercules East indicated that manganese mineralisation extends over a strike length of 250 metres. At Hercules North reconnaissance drilling also intersected manganese mineralisation. Assay results are expected early next quarter.

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Iron Exploration

Cultural Heritage Clearance Surveys of 6 future drill target areas were completed.

Manganese Exploration

Exploration for manganese continued with a focus on the Hercules East, North and Pier Dam Prospects (Figure 1). Both these prospects lie within the Joint Venture’s 100% owned Eurilla Dam EL 5164 tenement approximately 15km east of the Company’s Wilcherry Hill iron deposit.

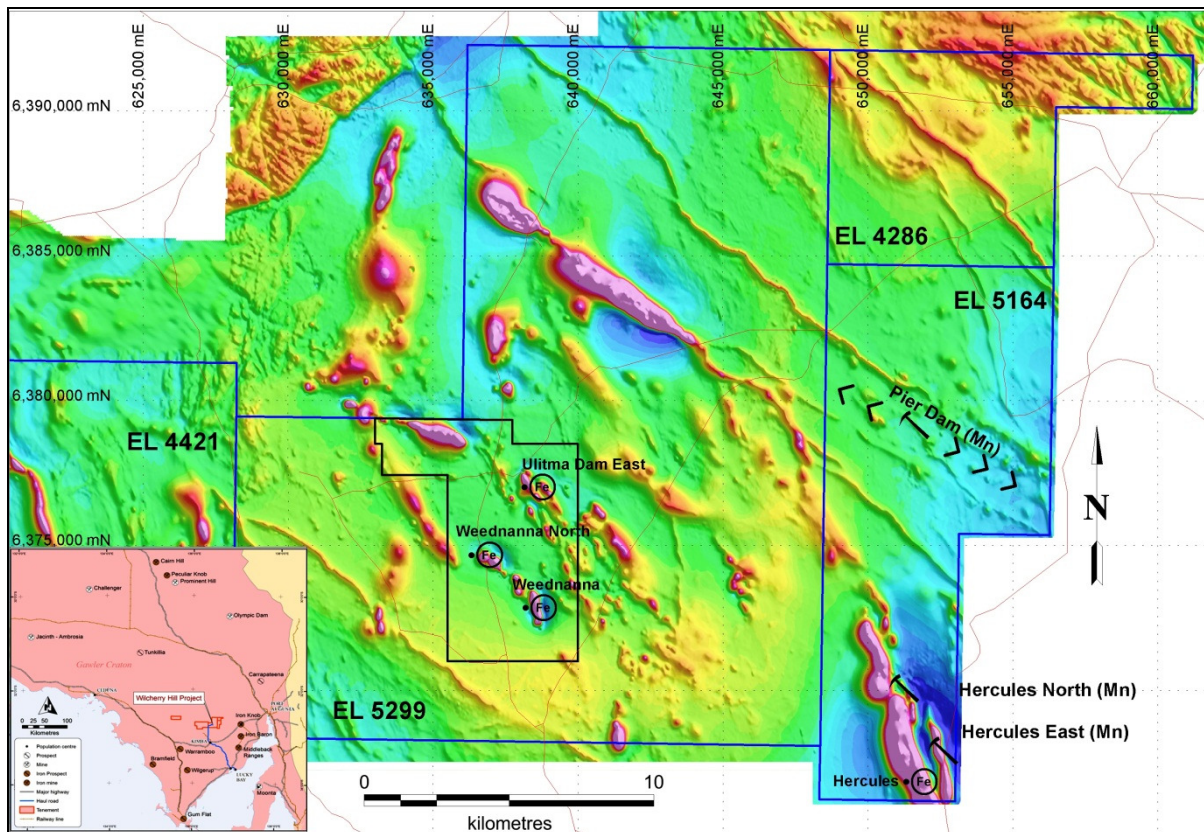


Figure 1: Pier Dam and Hercules East / North Manganese Prospect Location Plan (image is total magnetic intensity)

Hercules East and North Manganese Prospects

Surface Geochemical Sampling

Results were received from a 200m (NS) x 50m (EW) sampling program undertaken over the eastern and northern parts of Hercules in the previous quarter.

The surface geochemistry results at Hercules East demonstrated a potential 600m northerly extension of the known manganese mineralisation. 15 Reverse Circulation (RC) holes were drilled into the zone during the quarter.

Two kms to the NW of Hercules East geochemistry outlined a 1km north – south zone of manganese anomalism (Hercules North Prospect). Field inspections confirmed the presence of manganiferous ironstone and manganese oxide veins in Banded Iron Formation lithologies. The drilling of eleven reconnaissance holes was carried out over this anomaly during the quarter,

Full results from the 26 holes (2187m) drilled are anticipated in the early part of the coming quarter.



Pier Dam

The first phase of geological mapping and surface sampling was completed at Pier Dam.

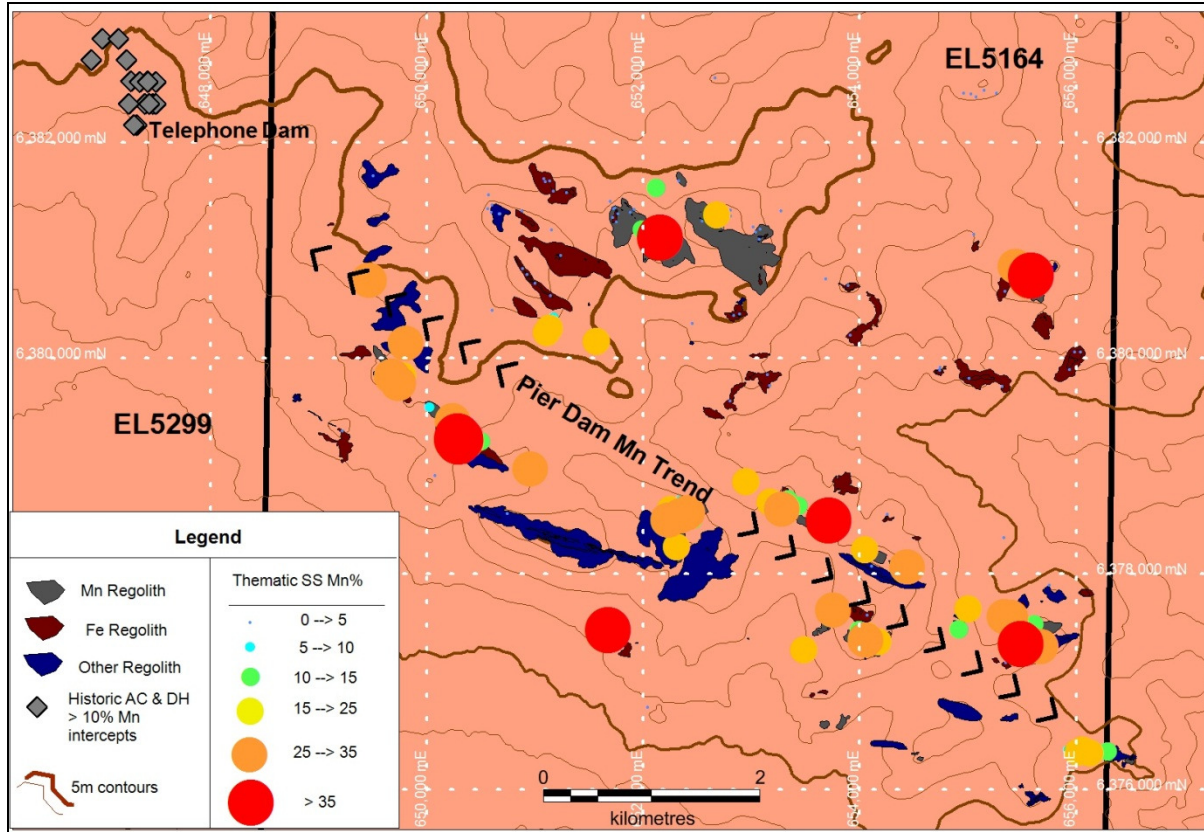


Figure 2: Pier Dam Prospect showing historical manganese results and recent surface rock chip sampling. Circles are coloured and scaled according to manganese values.

Financing

During the quarter discussions were held with a number of potential investors interested in securing long term iron ore off take agreements.

A number of interested parties are reviewing the Stage 1 Wilcherry Hill Project data. Discussions are ongoing.

Marketing and Shipping

The 57m powered transshipping barge currently under construction in Guangzhou, China, is nearing completion. The barge is currently being offered for sale.

Health, Safety, Environment and Community Performance

There were no health, safety, environmental or community incidents during the quarter.

Indigenous Access Survey

The identification of further Iron ore and manganese exploration targets in the joint venture area resulted in the requirement for indigenous access surveys of these areas. This work - at Pier Dam and Black Hills - has been concluded and has cleared the way for ongoing exploration operations.



Competent Person Statement

The information in this announcement that relates to exploration results is based on information compiled by Chris Mroczek, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on and is the Chief Geologist of the Company.

Mr. Mroczek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Mroczek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DISCLAIMER

This report contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of IronClad, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements.

Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

You should not place undue reliance on forward-looking statements and neither IronClad nor any of its directors, employees, servants or agents assume any obligation to update such information.

- ENDS -

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AUSTRALIAN MINING TENEMENTS

As at 30 June 2014

Interests in mining tenements relinquished, reduced or lapsed during the quarter

None.

Interests in mining tenements acquired or increased during the quarter

None.

Interests in mining tenements at the end of the quarter

South Australia Tenement Schedule			
Exploration License Number	Tenement Name	Registered Holder	Beneficial Interest %
4286	Valley Dam	Trafford Resources Limited	80% of iron ore
4421	Peterlumbo	Trafford Resources Limited	80% of iron ore
5164	Eurilla Dam	Trafford Resources Limited	80% of iron ore
5299	Wilcherry Hill	Trafford Resources Limited	80% of iron ore
Mining Lease Number	Tenement Name	Registered Holder	Beneficial Interest %
6390	Wilcherry Hill	IronClad Mining Limited	80% of iron ore