



**IRONCLAD**  
MINING LIMITED



**TRAFFORD**  
RESOURCES LTD

## **IronClad Mining Limited to Merge with Trafford Resources Limited**

**IronClad to offer one IronClad share for every one  
Trafford share on issue.**

### **Highlights:**

- Cleaner ownership structure of all assets – more compelling investment case.
- Broader commodity exposure.
- Combines near production with extensive exploration assets.
- Consolidates strong South Australian position in key areas and commodities.
- Centralised, lower cost administrative burden.
- Consolidates technical/corporate team
- Increases flexibility to advance individual assets as market funding allows.
- Increases flexibility to introduce strategic development partners to advanced projects.
- Removes duplication/repetition of share ownership.
- Improves liquidity.
- IronClad to issue one new listed IronClad option for each listed Trafford option (TRFO) on issue - exercisable at \$0.20cents, expiring 20<sup>th</sup> May 2016.

#### **ASX CODE: IFE**

#### **DIRECTORS**

***Ian Finch***

Chairman

***Neil McKay***

Company Secretary  
and  
Director

***Peter Rowe***

Director

***Bruno Seneque***

Director

#### **ASX CODE: TRF**

#### **DIRECTORS**

***Ian Finch***

Managing Director

***Neil McKay***

Director

***Mark Le Grange***

Director

***Allan Trench***

Director

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IronClad Mining Limited (ASX : IFE) and Trafford Resources Limited (ASX : TRF) are pleased to announce that they have executed a Merger Implementation Agreement (MIA) pursuant to which IronClad intends to acquire all of the issued shares in Trafford under a Scheme of Arrangement.

Under the proposed scheme IronClad will offer one IronClad share for every one Trafford share. This will result in IronClad issuing an additional 128,653,062 shares. This will mean that, upon completion of the transaction, IronClad will have a total of 236,856,933 shares on issue. The value of the 28.7 million IronClad shares currently owned by Trafford has been taken into account, by the independent directors in arriving at Trafford's value and hence the merger share ratio. Following completion of the transaction it is intended that those shares be cancelled.

There are 8,687,174 quoted Trafford options that expire on 16<sup>th</sup> February 2015 at an exercise price of \$0.10c. These options will lapse before the scheme becomes effective and will not form part of the transaction.

There are 25,700,963 quoted Trafford options that expire on the 20<sup>th</sup> May 2015 at an exercise price of \$0.20c. (TRFO). Under the scheme, IronClad intends to offer holders of these options one new IronClad listed option for each one listed Trafford option owned. The new exercise date will be 20<sup>th</sup> May 2016 and the exercise price will remain at \$0.20c.

**Strategy:**

The merged entity intends to effect a non equity re-capitalisation through:

- The finalization of the dual Research and Development claims currently in progress.
  
- The sale of non core fixed assets.

In addition, major cost savings are continuing to be made across both technical and administrative disciplines in both companies. The emergent, funded entity then proposes to.....

- Fully assess the impact on the Wilcherry Hill iron ore project that related credit commodities are likely to have – such as the tin and gold occurrences at the main Weednanna Prospect. Such valuable mineral credits were previously unable to be factored into the project feasibility and financial studies.
  
- Similarly, the impact of a clean, 100% owned, project structure on costs and pricing will be carefully assessed.
  
- Re-assess the optimum sizing for maximum metal recoveries through the Dry Magnetic Separation (DMS) plant. Improved metal recoveries have been shown in earlier studies to have a significant impact on produced tonnes and grade.
  
- In these and other ways the Wilcherry Hill iron project will be further optimized, enhanced, and “made ready” for entry into production when overall economic factors improve.

At the same time, the merged entity intends to pursue its existing, advanced Tin and Manganese projects with a view to establishing pre feasibility studies on both, at the earliest time. The longer term goals will be to establish mining cash flow from all, or any, of the above projects should they prove to be economically viable. At the same time, the entity intends to retain a select investment portfolio from which future funds may also be drawn. Continuing pro-active new project generation is also planned – in order to replace those projects which fail to pass ongoing exploration and development tests.

The merger is unanimously recommended by the independent Trafford Directors, Dr Allan Trench and Mr Mark Le Grange who have also agreed to vote in favour of the merger in respect of all shares they control – in the absence of a superior proposal, and subject to an independent expert concluding that the Scheme is in the best interests of the Trafford shareholders.

Mr Ian Finch and Mr Neil McKay did not participate in the Trafford Board deliberations since they are also directors of IronClad.

### **The Merger Implementation Agreement**

The merger will be implemented by a scheme of arrangement under the Australian Corporations Act. Under the MIA each party has agreed to take the necessary steps to implement the Schemes. The offer is subject to a number of conditions, which are customary for a transaction of this type, including...

- Receipt of ASIC, ASX and other regulatory approvals;
- No material adverse change or prescribed event for either company. (See MIA).
- An independent expert report concluding that the Scheme is in the best interests of Trafford shareholders; and
- Receipt of Court and Trafford shareholder approval.

A copy of the full MIA will accompany this announcement.

### **Board**

The Board of the merged entity will remain the current board of IronClad being Ian Finch, Neil McKay, Peter Rowe and Bruno Seneque.

### **Timetable**

The indicative timetable for the transaction is as follows:

Monday                      Draft scheme documentation lodged with ASIC  
16 February 2015

Tuesday                     Court hearing to approve convening Trafford shareholder and optionholder meetings  
24 February 2015

Monday                     Scheme documents mailed to Trafford shareholders and optionholders  
2 March 2015

Thursday                    Scheme meetings  
2 April 2015

Tuesday                    Second court hearing to approve Schemes  
7 April 2015

Wednesday                Implementation of the Schemes  
22 April 2015

The above timetable is subject to possible change.