

30th January 2014

Quarterly Report 31st December 2014

ASX CODE: IFE**DIRECTORS**

Ian Finch
Executive Chairman

Neil McKay
Company Secretary and
Non-Executive Director

Peter Rowe
Non-Executive Director

Bruno Seneque
Non-Executive Director

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Wilcherry Hill Project

In response to the falling iron ore price and heavy discounting of lower grade iron ores, IronClad continued to investigate opportunities to commence production upon a favourable change in the current markets and a return to sustained and stable iron ore prices

The company has significantly reduced overheads during the quarter while continuing to advance the project. Discussions with Arrium continue for the use of transport and port facilities at Whyalla in the hope of reaching a commercial agreement.

Merger with Trafford Resources Limited

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 16th 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 20th 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 20th May 2016 and the exercise price will remain at \$0.20c.

Strategy

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

- The finalisation of the 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 optimised, 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 directors of both companies – in the absence of a superior proposal,

Mr Ian Finch and Mr Neil McKay did not participate in the Board deliberations as they are common directors on both companies.

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 is available from ASX website.

Board

Mr Bruno Seneque was appointed to the IronClad Board on 24th December 2014 as a non-executive director.

The Board of the merged entity will remain the board of IronClad.



Timetable

The indicative timetable for the transaction is as follows:

Monday 16 February 2015	Draft scheme documentation lodged with ASIC
Tuesday 24 February 2015	Court hearing to approve convening Trafford shareholder and option holder meetings
Monday 2 March 2015	Scheme documents mailed to Trafford shareholders and option holders
Thursday 2 April 2015	Scheme meetings
Tuesday 7 April 2015	Second court hearing to approve Schemes
Wednesday 22 April 2015	Implementation of the Schemes

The above timetable is subject to possible change.

Annual General Meeting

During the Quarter the company's Annual General Meeting was held. All resolutions put forward at the meeting were passed unanimously by a show of hands.

Management Changes

During the Quarter, Robert Mencil stepped down as Managing Director of the company.

Health, Safety, Environment and Community Performance

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

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 31 December 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