

ASX / MEDIA RELEASE

7 January 2010

WILCHERRY HILL DIRECT SHIPPING ORE TEST WORK PROGRAM - ADDITIONAL INFORMATION

The Directors of Ironclad Mining Limited (“IFE”) and Trafford Resources Limited (“TRF”) are pleased to provide the following additional information regarding the metallurgical test work completed just before Christmas and which was the basis of the ASX Report “Metallurgical Tests Confirm Early Low Cost Start and High Quality DSO Options for Wilcherry Hill” and released to ASX by IronClad on 4th January, 2010.

IronClad Mining and Trafford Resources, through a joint venture, respectively have a 80% and 20% interest in the Wilcherry Hill Iron Project.

The tenements comprising the Weednana prospect, which is the likely site for the first open cut DSO mining operation, are centred approximately 30 km north of the township of Kimba on the northern Eyre Peninsula of South Australia.

Having identified in situ magnetite grades in excess of 60% Fe via a targetted drilling programme in the last quarter of 2009,, the Joint Venture commissioned independent metallurgical experts, “ProMet Engineers” to evaluate low capital cost options for upgrading 50% - 60%Fe material to a saleable product (~62%Fe) .

ProMet was also asked to produce a conceptual design for a start-up plant with options for future development using low cost beneficiation.

Methodology

The sample material tested was representative of the bulk of the near surface high grade material that will be mined in Stage 1 of the planned mining operation at Wilcherry Hill. The samples were tested by:

- Drop tower test work designed to simulate lumps/fines ratios.
- Assaying by size to identify any size fraction containing higher levels of impurities.
- Wet and dry magnetic separation at up to 5000 Gauss.
- Jigging or heavy media testing



IRONCLAD
MINING LIMITED

Registered Office:
Level 2, 679 Murray St.
West Perth, WA, Australia, 6005
Telephone: +61 (0)8 9485 1040
Facsimile: +61 (0)8 9485 1050

Principal Office:
Level 1, 307 Pulteney Street,
Adelaide, SA, 5000
Telephone: +61 (08) 8212 7577
Facsimile: +61 (08) 8212 7377

Conclusions

The test work led to the following conclusions:

- From drop tests (designed to simulate ore break up during typical transportation circumstances), 52% of the feed material was lump and 48% was fines. This lump to fines ratio of **52:48** is unusually high, and very promising for lump sales. The lump samples upgraded from 52%Fe to over 60%Fe following crushing and screening. The phosphorus content was very low.
- Dry low intensity magnetic separation (**LIMS**) **gave satisfactory grades for lump and fines**. Lump and fines could be further upgraded by dry LIMS and dry PERM rolls at 5000 gauss.
- Following the Low Intensity Magnetic Separation LIMS test work, high intensity magnetic separation (HIMS) test work produced high weight yields.
- Wet LIMS gave superior grade and averaged 60% Fe yield, though the product would be a sinter additive.
- Jigging achieved high yield and grade on lumps and better yields than dry LIMS on fines. Subsequent table/spiral stages gave suitable grades

Proposed Processing Route

Based on the results of the test work and intended low cost start up requirements, the following process route has been proposed

:

- Conventional crushing and screening plant to produce lump and fines. Where the product meets the specifications this will be diverted to final product.
- Where the product is below specification, then lump and fines dry LIMS drums will be used to produce lump and fines of the required grade.

The tailings will be retreated after reducing to 1mm to produce a magnetic sinter additive. This process, with its requirement for water, may be deferred.

Potential Product Specifications.

The proposed processing route will produce three products to the following specifications (Table 1):

Size Range	Lump 95% - 32+8mm	Fines 80% - 8mm+150micron	Sinter Additive 90% - 3mm+45micron
%Fe	>60%	>60%	>65%
%Fe ⁺⁺			>18%
%Fe ex LOI	>64%	>63%	>65%
%SiO ₂	<5%	<5%	<2%
%Al ₂ O ₃	<3%	<3%	<1.8%
%CaO	0.02-0.04%	0.02-0.04%	0.02-0.04%
%MgO	0.7-0.9	0.7-0.9	0.7-0.9
%TiO ₂	<0.04	<0.04	<0.04
%Na ₂ O+K ₂ O	<0.12	<0.12	<.05
%P	<0.02	<0.02	<0.02
%S	<0.04	<0.04	<0.04
%MnO	0.12-0.15	0.12-0.15	<0.1

Table 1: Summary of Product Specifications from Test Work.

Processing Plant

A typical mobile to semi-mobile crushing and screening plant is envisaged for this operation. Refer Figure 1. The products of the crushing and screening plant would be separate lump (minus 32 mm to 8 mm) and fines (minus 8 mm) streams which then would be stockpiled separately for treatment in a dry LIMS plant. The dry LIMS magnetics would be stockpiled for shipment and the tails would be stockpiled for future retreatment. This plant would be capable of processing 2-2.5 Mt/a. of ore.

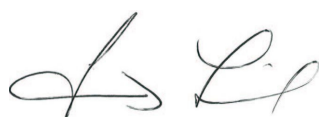


Figure 1: Picture of a typical semi-mobile processing plant to be used at Ironclad's Wilcherry Hill mining operation.

The proposed processing route, using a semi-mobile processing plant allows Ironclad to plan a mining operation that involves low start-up capital and requires limited water usage and low power needs

Annual Production

IronClad has determined that, in the first instance, an annual production rate of 2 million tonnes of ore will be most appropriate. This is based largely on the port handling capabilities at Port Adelaide and the optimization of locomotive usage. Two locomotive time slots on the main rail line between Lincoln Gap and Port Adelaide provides the most economic usage of rail time at a rate of approximately 2 million tonnes per annum which also equates to the annual capacity of the proposed processing plant.



Ian D. Finch

Executive Chairman

The information that relates to exploration targets, exploration results and drilling data is based on information compiled by Ian Finch, who is a member of the Australian Institute of Mining and Metallurgy and who has more than five years experience in the field of activity being reported on. Mr Finch is the Executive Chairman of the Company.

Mr Finch has sufficient experience which is relevant to the style of mineralisation and 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, Minerals Resources and Ore Reserves.

Mr Finch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.