



IRONCLAD
MINING LIMITED

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IRONCLAD DETAILS TIMETABLE FOR WILCHERRY HILL PRODUCTION

IronClad Mining Limited (IFE) and Trafford Resources Limited (TRF) 80% and 20% joint venture partners of the Wilcherry Hill Iron Project wish to advise that the following production and approval schedules have been adopted in order to fast track the project into production in the third quarter of 2010 as planned:

Approvals

The appointment of an Approvals Manager is well advanced, with an appointment expected to be made shortly. The role of the Approvals Manager will be to liaise with Coffey Natural Systems which, as announced, has been appointed to ensure statutory approvals are obtained within the minimum time possible.

Some of the necessary project studies have already been undertaken over the previous two years. For example the comprehensive flora and fauna survey which has been completed will greatly assist in meeting the Company objective. The latest schedule received from Coffey indicates commencement of production is on target.

In addition to the above, the Approvals Manager will be responsible for Native Title negotiations which are also well advanced. A comprehensive site visit is planned for 21st January 2010.

Ancillary approvals such as road transport and shipping permits are being applied for by the respective major contractors to the Project and again the Approvals Manager's role is to oversee their progress.

Construction

The design and construction programs for the new haul road, bore field and rail siding at Lincoln Gap are in hand, with the haul road route having been pegged with the land holder's involvement and a proposal to construct has been received.

IronClad is about to appoint a Project Manager - Infrastructure, who will be responsible for the final design and construction of the above, infrastructure as well as the limited mine site infrastructure.

As previously announced an independent bore field desk top study has been completed and the water drilling contract is to be awarded

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shortly. Mine infrastructure will consist mainly of mobile plant supplied and operated by contractors.

However, a suitable semi mobile crushing, screening processing plant has been sourced for purchase if necessary.

Ancillary mine infrastructure such as fuel pads, office accommodation, and communication facilities are under consideration, but are not major lead time items.

It is expected that the labour force will be housed in Kimba or in the case of the transport contractor, at Iron Knob. Capital port infrastructure will be limited to the construction of a concrete storage pad. Ship loading equipment is already in place, provided by Flinders Ports which is the operator of the port.

Dust Control and Environmental Issues

As mentioned above a comprehensive two year flora and fauna survey has been completed. It is intended that any processing beyond normal crushing and screening will be by dry magnetic separation which will require a minimal amount of water - mainly for dust suppression. Water requirements for the processing plant and haul road to the Eyre Highway will be provided from the bore field.

Environmental concerns at the port will be minimal as the magnetite is to be railed to port in modified shipping containers, which will be stored at a designated yard, already nominated by Flinders Ports.

Loading of ships will entail, the use of existing Flinders Port container cranes which will physically unload the containers inside the hold of the bulk carrier, thereby containing dust.

Another company which also plans to ship iron ore through Port Adelaide has already received environmental approval for this process - so there is no reason to believe that IronClad, with its more environmentally friendly product, will not receive approval.

Sale of Product / Off Take Agreements

The ongoing strong economic growth in China and India is fuelling anxiety among many Chinese steel mills that their future production could be curtailed because of the lack of access to quality iron ore supplies.

The Joint Venture has received numerous enquiries from overseas entities, both steel mills and traders wishing to negotiate supply of magnetite.

However it is the policy of the Joint Venture not to enter into any early agreement with interested parties. Preferring to assess all options, to ensure the Joint Venture is in the optimum position to generate maximum shareholder wealth as it moves closer to production.

However, iron ore grades in excess of 60% Fe and with low impurities are highly sought after by Chinese steel mills to upgrade local low grade ore and to blend with lower grade imported iron ore.

IronClad Mining, as manager of the Venture has recently appointed a General Manager of Marketing with the benefit of 20 years experience in marketing steelmaking raw material from Australia into China. The Joint Venture has no hesitation in believing it will have sales commitments in place no later than mid 2010.

As is normal, these commitments may initially, be in a form of Memorandum of Understanding or Letter of Intent, to be followed by firm sales contracts as grades, pricing and shipment dates are fixed.

Financing

The Venture has taken a corporate decision not to invite a third joint venture partner at this early stage of development. This decision has been strengthened by the decision to stagger mine development into three stages.

Stage One, the mining of Direct Shipping Ore is a low capital cost exercise, the financing of which can be accomplished by the issue of equity and/or debt, or the major contractors financing their own capital commitments to be amortised over a period of time.

Senior Staff Appointments

The Joint Venture anticipates completing its senior staff appointments within the near future by engaging the services of a Mine Manager and Project Manager – Infrastructure.

The Boards of IronClad and Trafford acknowledge that the foregoing is a tight timetable in which to develop a mine of substantial scale such as stage one of the Wilcherry Hill Project.

However the current strong demand for iron ore from steels mills and consequent high spot prices for iron ore, together with the unique nature of the Wilcherry Hill iron ore and our capacity to produce a quality product at low cost, make it a target worth aiming for.

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For an audio update containing much of the above please CTL and click the following link <http://www.brr.com.au/event/63481>



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