



IRONCLAD
MINING LIMITED

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ASX Release

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IronClad Mining to Raise \$7.5 Million To Commence an Early Works Program at the Wilcherry Hill Iron Ore Project

The Directors of IronClad Mining Limited (ASX:IFE) wish to advise that they intend to raise approximately \$7.5 million to commence an early works program and to finalise the Definitive Feasibility Study (DFS) on Stage One of the Wilcherry Hill Iron Ore Project in South Australia.

The fund raising will be through a renounceable rights issue open to all shareholders at 85c a share on the basis of one new share for every five shares held in the Company. It is anticipated that the Prospectus for the issue will be available on or about 22nd June 2010.

Trafford Resources Limited (ASX: TRF), which owns 50% of the current 44 million issued shares in IronClad, intends to participate fully in the funding on the same basis as all other shareholders.

A rights issue has been chosen as the most effective form of fundraising to maintain the good progress which is being achieved in bringing Stage One of the three stage development into production. Activation of the early works program will mean that long lead time items can be secured, thus maintaining IronClad's fast track approach to production. It will also allow the early start up of the planned test pitting programme, designed to hone eventual extraction techniques.

It also gives existing shareholders an opportunity for a higher level of investment in the project in keeping with the feedback received from shareholders when the Company announced its intention to negotiate with China based MCCM Capital Management Co. Ltd for a 50% share in the Phase One Development by the expenditure of \$35 million.

International companies and institutions (including MCCM Capital Management Co. Ltd) remain interested in the Wilcherry Hill Project because of the exceptional product quality and likely high rate of return forecast for the project but most require clarity on Australia's future resources tax regime before they can commit funds.

Whilst the Directors of IronClad remain open to offers for overseas funding for the completion of Stage One of the Wilcherry Hill Project they believe that the robust nature of the project and likely high rates of return will ensure that Australian funding will be available for the purpose if there is not a satisfactory early resolution of the resources super tax issue.

Meanwhile good progress continues to be made in bringing Stage One of the Wilcherry Hill Project into production.

Stage 1(a) will produce high quality, low contaminant Direct Shipping Ore (DSO) which is also the highest value iron ore to steel makers. Stage 1(a) DSO is defined as specification (+62% Fe) ore which can be produced by simple low cost, dry methods such as crushing, screening and dry magnetic separation. It is expected that Stage 1(a), which is being fast-tracked into production by the end of this year, is likely to deliver up to two million tonnes a year of DSO ore for at least three years.

Stage 1 (b) will require the addition of a simple, low cost gravity circuit to the plant in year 2/3, thereby securing DSO output for at least a further 3 years before Stage 2 (wet beneficiation) commences.

There has been a slight delay in completing the Definitive Feasibility Study for Stage One which was originally timed for completion in May, but this is now expected early in the next quarter. However this has not changed the anticipated timetable for commencing production late in 2010 or very early in 2011.



Ian D. Finch
Executive Chairman