IRONCLAD MINING LIMITED

ABN 79 124 990 405

ANNUAL REPORT

30 JUNE 2010

CORPORATE DIRECTORY

CHAIRMAN/EXECUTIVE DIRECTOR

Ian D. Finch

NON-EXECUTIVE DIRECTORS

Neil W. McKay

Peter W. Rowe

Shane B. Sadleir (alternate to Ian D. Finch)

COMPANY SECRETARY

Neil W. McKay

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(Home Exchange: Perth, Western Australia)

Code: IFE

BANKERS

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Chairman's Letter

Dear Members,

It gives me particular pleasure to inform you of the progress your Company has made, in this my first full year as its Chairman. Any residual sense of "gloom and doom" lingering on after the Global Financial Crisis (GFC) has been well and truly left behind and is but a blip on the horizon in the rear view mirror.

Last year's comments by David Macoboy, the then chairman, proved indeed to be sage and prescient. He spoke of being involved in a commodity that was likely to weather the financial storm. Indeed his prediction that IronClad would emerge "stronger", as a result, proved to be perfectly correct.

In December the Company delivered a pre feasibility study on the Wilcherry Hill, high quality, low contaminant magnetite. It showed the project to have an outstanding future with high potential profit margins. Standing in the way remained the vexing questions of the lack of a dedicated port to handle the Company's growth strategy, and a potentially high capital start up due to the need to build a wet processing plant – as is the norm with all standard magnetite projects.

What has happened since sets your Company apart from the rest.

Your technical team has continued to deliver new, innovative and flexible solutions, such that hardly a beat has been missed and, despite some small delays outside of their control, the project is on schedule for an early 2011 start up. Indeed, had it not been for the naive intervention by the federal government in May this year (more later), it is likely that delivery would have been in 2010 as canvassed.

The team sought to capitalise on the many exceptional geological, physical and mineralogical properties of the ore at Wilcherry Hill. Was it possible that we could construct a world first - Direct Shipping Ore (DSO) magnetite? And thereby do away with major, up front capital costs?

Together with its joint venture partner, Trafford Resources Ltd, up to 10 geologists, four drilling rigs and a wide range of dedicated and skilled consultants were employed to answer these major questions. I am pleased, and proud, to report that all of the initial findings of this innovative approach have been positive and a low cost, early start up is in the offing. The more capital intensive stages can now be scheduled in from cash flow - a most enviable position.

The technical, logistics and marketing teams re-investigated port options and also have innovative solutions in hand that are highly likely to see our early export target of 2 million tonnes per annum realised without the construction of a major new port whilst maintaining excellent profit margins.

Within the year the Board has taken the opportunity of generally depressed market prices to offer additional shares to members by way of two rights issues - at 65c and 85c. They were both enthusiastically taken up, and I thank you all for those strong shows of support.

Already the signs for the new financial year are both encouraging and exciting. The project is on track, the market for iron ore remains strong, and is tipped to remain so for some time. But perhaps, more importantly, the commitment and enthusiasm of your corporate, technical and marketing teams remains extraordinarily high. The end of the beginning is in sight. The beginning of the end is soon to commence. (with apologies to Winston Churchill !!).

Chairman's Letter (cont'd)

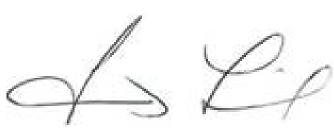
Finally, I feel that it would be remiss of me not to make comment on the dreadful impact that uninformed and poorly thought out political policies, can have on this great industry. The Government's proposed mining tax was, in my view, justly pursued and opposed by the industry - ultimately resulting in the demise of the Prime Minister himself. The damage done to this country, however, has been great, will be long lasting, and will take many decades to correct.

Whilst Australia remains a great place to live and work – foreign investors can be forgiven for reviewing their global opportunities - upwardly revising countries such as Chile, Peru Mexico, Congo, Mauritania, South Africa, Tanzania, Namibia, Botswana and many others as preferred destinations for their investments. **The greatest losers, should these ill conceived taxation policies go ahead, will ultimately be the Australian people.**

Low exploration capital will result in fewer discoveries. Fewer discoveries will mean fewer mines. Fewer mines will mean diminishing export income**. What will replace Australia's mining income and who will be paying the "super profit taxes" of the future?**

Notwithstanding these untimely and unwanted interventions, your Company is clearly, well positioned to make a significant impact on the South Australian and national iron ore industry in the coming year.

As always, I am looking forward to it with immense anticipation.



Ian Finch,

Chairman.

PROJECT OVERVIEW

Background

The Wilcherry Hill Project is located about 30km north of the township of Kimba on the northern Eyre Peninsula of South Australia (Figure 1) and about 130km west of the planned deep water port at Port Bonython, close to the major steel making industry at Whyalla.

The Wilcherry Hill Project comprises four exploration licenses, in Joint Venture with Trafford Resources and together covering over 1000 square kilometers. The project area has been explored since the early 1980's, originally by Shell Minerals, then after numerous joint ventures and corporate takeovers Trafford Resources acquired the four main tenements from Aquila Resources Ltd in 2006. Previous exploration focused mainly on gold and base metals, but Trafford quickly identified the potential of the iron resources at Wilcherry Hill.

A Desktop Study was implemented by Promet Engineers and concluded that a 2Mtpa base case operation was potentially viable with a number of product and export alternatives. A premium quality product of crystalline magnetite with high weight recoveries (up to 75%) and low impurities was recognised in testwork.

In 2007, IronClad Mining entered into a joint venture with Trafford Resources to develop the Wilcherry Hill iron project. IronClad has since progressed key aspects of the project, increasing the resource size five-fold and bringing it closer to production by undertaking detailed geological, mine development, metallurgical, environmental, social and infrastructure studies.

Figure 1: IronClad Project location map

Tenure

IronClad Mining has earned 80% interest in the iron rights to four tenements from Trafford Resources, as outlined in Table 1. IronClad's joint venture earn in of 80% interest into the iron rights to the Lincoln Minerals tenement just south of Hercules was mutually terminated due to the external market forces of the global financial crisis and IronClad choosing to spend its money on the accelerated development plan of Wilcherry Hill.

The project area is serviced by roads and station tracks, which provide good access into the area. Most of the land is on the Nonning, Uno and Yeltana Pastoral Stations, with natural bushland and land use confined to low density sheep grazing.

Project Overview (cont'd)

TENEMENT SCHEDULE					
Exploration Licence Number	Tenement Name	Registered Holder	JV Partner	Area (km^2)	Comment
4286	Valley Dam	Trafford Resources Ltd	Trafford	66	80% of Fe earned
4162	Wilcherry Hill	Trafford Resources Ltd	Trafford	387	80% of Fe earned
3981	Eurilla Dam	Trafford Resources Ltd	Trafford	115	80% of Fe earned
3272	Peterlumbo	Trafford Resources Ltd	Trafford	408	80% of Fe earned
3690	Lake Gilles	Lincoln Minerals Ltd	Lincoln	98	Terminated
			TOTAL	1074	

Table 1: IronClad mining tenement interests

Geology

Strong intersections of coarse crystalline magnetite seen at the Weednanna, Weednanna North, Ultima Dam East and Ultima Dam West prospects yielded continuing confirmation of the high grade, low contaminant ore qualities reported previously. Exceptional iron grades were recorded at each of these prospects. The identification of shallow high grade ore zones prompted the Company to step up work to investigate the possibility of Direct Shipping Ore (DSO) as an early, low cost entry into production.

IronClad began an RC drilling program to quantify the tonnages of near surface DSO mineralisation and thereby fast-track early, low cost production. The drilling follows the discovery of iron grades up to 65% Fe at a 150x40m outcrop at Ultima Dam West. On completion of the drilling in September 2009, 52 holes (4037 metres) had been drilled.

The project feasibility study continued in-house, and was restructured to include the DSO mining as the initial start-up stage for development of the Wilcherry Hill Iron Project.

The Project strategy is now represented in three stages:

Stage 1: Development of DSO resources at Wilcherry Hill targeting 2Mtpa,

Stage 2: Beneficiation sub DSO coarse grained crystalline magnetite resources at Wilcherry Hill ~5Mtpa,

Stage 3: Development of the huge banded iron formation resource at Hercules ~10Mtpa.

These stages are built on a solid foundation of past drilling programs which have defined JORC resources of 60Mt at Wilcherry Hill and 198Mt in total at Hercules.

In April IronClad undertook an 8,000m reverse circulation (RC) drilling program aimed at converting the existing DSO resource into a mining reserve category. Three RC drill rigs were commissioned to undertake the program.

The bulk of the drilling was undertaken at the Weednanna prospect where the first mining is likely to take place. The balance of the definition drilling was carried out at the nearby Weednanna North and Ultima Dam East prospects.

Project Overview (cont'd)

Geotechnical drilling of five (5) diamond core holes was completed into the hanging and foot wall rocks, as well as into the ore body in order to ascertain their geotechnical characteristics. This in turn will assist in optimising pit designs, ensuring, among other things, a safer working environment.

IronClad undertook preliminary pit design optimisations and geotechnical analysis. This work successfully designed pits for a number of different project scenarios and will form the basis of ongoing study work and approvals. IronClad also submitted bulk samples for drop testing (to determine lump to fines ratio) and upgrading of near-DSO material.

IronClad has continued to progress the necessary project approvals. The applications for Mineral Claims over approximately 40km2 at Wilcherry Hill were expanded to include the Ultima Dam West prospect. Native Title negotiations for mining have commenced and are nearing completion.

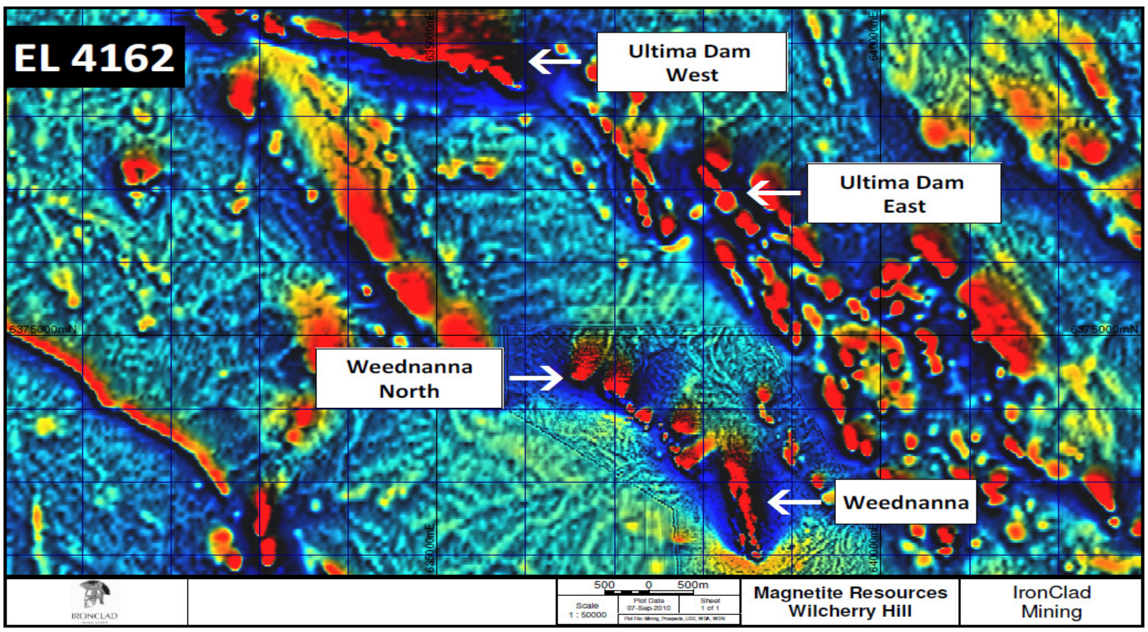


Figure 2: Magnetic images showing DSO prospects and September '09 drilling areas

PROSPECT	JV Partner	Drill Type	Holes	Metres
Weednanna	Trafford Resources	Core	26	1796.25
Weednanna	Trafford Resources	RC	101	8741
Weednanna North	Trafford Resources	Core	2	58.3
Weednanna North	Trafford Resources	RC	40	3719
Ultima Dam East	Trafford Resources	Core	1	92
Ultima Dam East	Trafford Resources	RC	50	4246
Ultima Dam West	Trafford Resources	RC	28	2582
Golden Gate	Trafford Resources	RC	2	324
TOTAL			**250**	**21558.55**

Table 2: Drilling summary for the current year (locations in Figure 3)

Project Overview (cont'd)

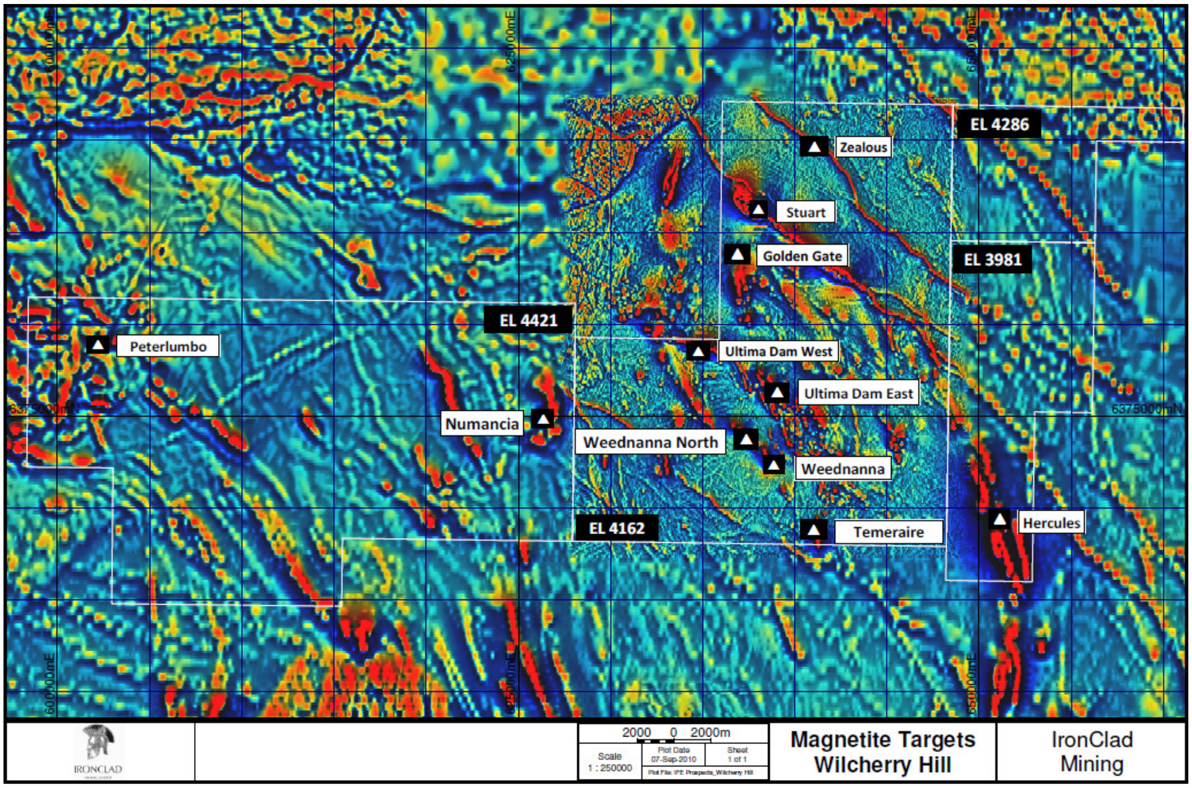


Figure 3: Regional magnetic image (TMI) showing active prospects

Project	Prospect	2008 JORC Resources	Exploration Target*
Wilcherry Hill	Ultima Dam East	10.7Mt @ 29.8% Fe	20 Mt @ 25-35% Fe
	Weednanna	27.0Mt @ 35.0% Fe	30 Mt @ 30-35% Fe
	Weednanna North	17.2Mt @ 23.1% Fe	30 Mt @ 25-35% Fe
	Weednanna North (Pod 6)	5Mt @ 35% Fe	
	Other Prospects	N/A	50 Mt @ 25-35% Fe
	Wilcherry Subtotal**	**60Mt @ 31%Fe**	**130 Mt @ 25-35% Fe**
Hercules	Hercules- Oxide***	48.4Mt @ 40% Fe	200Mt @ >40% Fe
	Hercules- Magnetite	145.6Mt @ 23% Fe	>1 Bt @ ~25% Fe

Notes:

* The information in this table that relates to "Exploration Targets" is conceptual in nature, as there is insufficient data to define a Mineral Resource and it is uncertain whether further exploration will result in the determination of a Mineral Resource

** Rounded to nearest significant figure
*** Oxide resources refer to combined detrital, manganiferous and bedded ore types

Table 3: Resource summary for IronClad's projects in 2010.

(The 2010 resource statement is currently being updated from drilling conducted)

Project Overview (cont'd)

Considerable greenfields exploration potential remains in the tenement area. For example, the Peterlumbo tenement contains magnetic anomalies adjacent to known granites which appear similar to those seen at Wilcherry Hill, but are untested. The Peterlumbo tenement also contains the Numancia Prospect, where scout drilling in 2008 identified a very large low grade iron ore target (conceptually >1 Bt @ 15-20% Fe).

The Wilcherry Hill tenement contains the Zealous Prospect (formerly Ironstone Ridge) which contains rock chip samples >63% Fe, without any drilling; and also contains the Stuart Prospect, over which ground magnetic data has been collected for further evaluation of one of the strongest intensity magnetic anomalies in the region.

The Lake Gilles/Eurilla Dam tenements jointly contain large untested gravity anomalies adjacent to the Hercules magnetic anomaly, which are ideal targets for DSO in a known mineralised environment. Therefore, there is scope to increase the resource currently defined, however, these tonnages and grades are conceptual in nature, as there is insufficient data to define a Mineral Resource.

Metallurgical Test Work

Large diameter metallurgical drill holes were completed at Weednanna, Weednanna North and Ultima Dam East prospects in order to provide seven (7), 300kg samples for ongoing metallurgical test work.

Metallurgical test work on high grade iron ore at Wilcherry Hill confirms that simple dry, low cost, processing will enable the Company to commence production aimed at a rate of 2 million tonnes a year of premium >60% Fe Direct Shipping Ore (DSO) early next year.

Low cost processing on site is likely to be carried out utilising a simple mobile crushing and screening plant with accompanying low and high intensity magnetic separation modules.

The work, carried out by Promet Engineers, involved multiple tests on typical ore samples from recent drilling on the Weednanna Prospect at Wilcherry Hill. Due to the extremely high grade nature of the in situ ore at the Weednanna Prospect, it is the likely site for the first open cut DSO mining operation.

Significantly the test work has also confirmed that IronClad will be able to extend its proposed Stage 1 DSO operation by simple processing of material down to 45% Fe. A lower cut off grade of 45% Fe readily and economically upgrades to > 60% Fe by crushing, screening and low and high intensity dry magnetic separation.

Dry magnetic separation is preferred as it is a low cost option and does not require extensive amounts of water. Further test work will be undertaken during the definitive feasibility study to optimise plant design.

Quality products can be produced with low impurities (table 2). In addition to the high lumps and fines grades the test work shows that a high grade (>65% Fe), <3mm sinter additive can also be produced.

Project Overview (cont'd)

	Lump	Fines
Size Range	95% -32+8mm	80% -8mm+150micron
%Fe	>62%	>60%
$\%SiO_2$	<5%	<5%
$\%Al_2O_3$	<3%	<3%
%CaO	0.02-0.04%	0.02-0.04%
%MgO	0.7-0.9	0.7-0.9
$\%TiO_2$	<0.04	<0.04
$\%Na_2O+K_2O$	<0.12	<0.12
%P	<0.02	<0.02
%S	<0.04	<0.04
%MnO	0.12-0.15	0.12-0.15
%LOI	2.0 – 4.0%	2.0 – 4.0%

Table 4: Summary of likely specifications from test work

Marketing

IronClad appointed Mr Houghton as General Manager, Marketing, He was General Manager Marketing for Australia's third ranking iron ore producer Portman Mining from 1990 to 1998 and brings broad and extensive experience in mine development and marketing to his key role with IronClad.

Mr Houghton is responsible for the marketing of Wilcherry Hill's high quality Direct Shipping Ore (DSO) into the current very strong spot market for iron ore and to steel mills seeking long term contracts.

It is clear from marketing visits to China that there is a ready market for the Wilcherry Hill iron ore. IronClad`s 62% Fe fines iron ore is viewed as a premium product and the Company has no hesitation in predicting that demand from Chinese steel mills is likely to exceed IronClad's forecast production capacity in Stage 1 of the project. The market appraisal gained from direct visits to Chinese customers coupled with independent reports forecast a continuing buoyant iron ore market and underscore the marketability of the Wilcherry Hill iron ore now and in the future.

IronClad Mining entered into a Memorandum of Understanding (MoU) with Liuzhou Iron and Steel Co. Ltd (LISCO) of China for the sale of a minimum one million tonnes of Direct Shipping Ore (DSO) a year from the Wilcherry Hill Iron Ore Project. Once converted into a sales contract this will account for half of the Joint Venture's planned iron ore production in a full year.

Mining Study

A mining study to produce pit designs was commenced by Golders in late 2008. This work was partially completed and then put on hold as part of the cash preservation strategy. IronClad hired a mining engineer towards the end of the financial year to further develop the pit designs. This work is in progress and is due for completion for the definitive feasibility study.

Project Overview (cont'd)

Infrastructure

A draft site infrastructure layout has been completed, which includes the location of pits, ore stockpiles, waste dumps, process plant and fuel storage. The design will be further developed for the definitive feasibility study and for submission with the Mining Lease application. The merits of the various transport options (road and rail) have been studied, and are dependent on the selection of the port.

Port

Securing port access is the most important issue facing IronClad. There are currently two options under consideration. IronClad believe that a new deep water port in the Spencer Gulf is viable and could be available within the next three years.

A) Port Adelaide

Port Adelaide is the interim port option for IronClad. Whilst Port Bonython is being constructed IronClad intends to send its ore by road to the Lincoln Gap rail siding outside of Port Augusta and then from there by train in modified shipping containers down to the outer harbour at Port Adelaide. At Port Adelaide the containers can be stacked 3 high and modified container cranes will hoist the containers into the ships hull, rotate them for the ore to fall out while a suppression mist is sprayed to contain any dust.

B) Port Bonython

Port Bonython (Figure 4) is the closest deep water port to IronClad's projects, being about 130km by existing transport routes and is the preferred port option for IronClad. After expressions of interest were received the South Australian government awarded preferred tenderer status to a consortium that includes Flinders Ports, Macquarie Bank, Leightons, Brambles and ARTC. The consortium completed a pre-feasibility assessment and has submitted a report to government.

In the 2009-10 Federal Budget, Infrastructure Australia included Port Bonython on its list of Priority Projects. This was very important as only a small fraction of all projects proposed made this list and it allows the South Australian government to seek federal funding for the port development.

Figure 4: Aerial view of Port Bonython, showing the Santos jetty in the foreground

Project Overview (cont'd)

Power line

A budget estimate has been provided to IronClad to construct a 132 kV powerline from Cultana to Wilcherry Hill. Access to competitively priced power from the national grid will be a major operating cost benefit for IronClad's operations.

Water

The first phase of water exploration was undertaken with a total of seven wells drilled to explore for rock fracture aquifer water within the proposed mining lease area. A water bore field of 2 megalitres a day has been defined for the planned mining operations at the Wilcherry Hill Iron Ore Project. The supply is sufficient for construction and operational requirements - including a 20% contingency.

Approvals

The South Australian State Mining registrar has granted the Company's application for 17 Mineral claims which will comprise the 32,000 hectare Mining Lease for the Wilcherry Hill iron ore mine.This is an important regulatory milestone in advancing the Wilcherry Hill Iron Ore Project towards a fast tracked start-up.

Native Title

IronClad made good progress in moving toward finalising a Native Title Agreement for mining at Wilcherry Hill with the Native Title claimants, the Gawler Rangers Native Title Service.

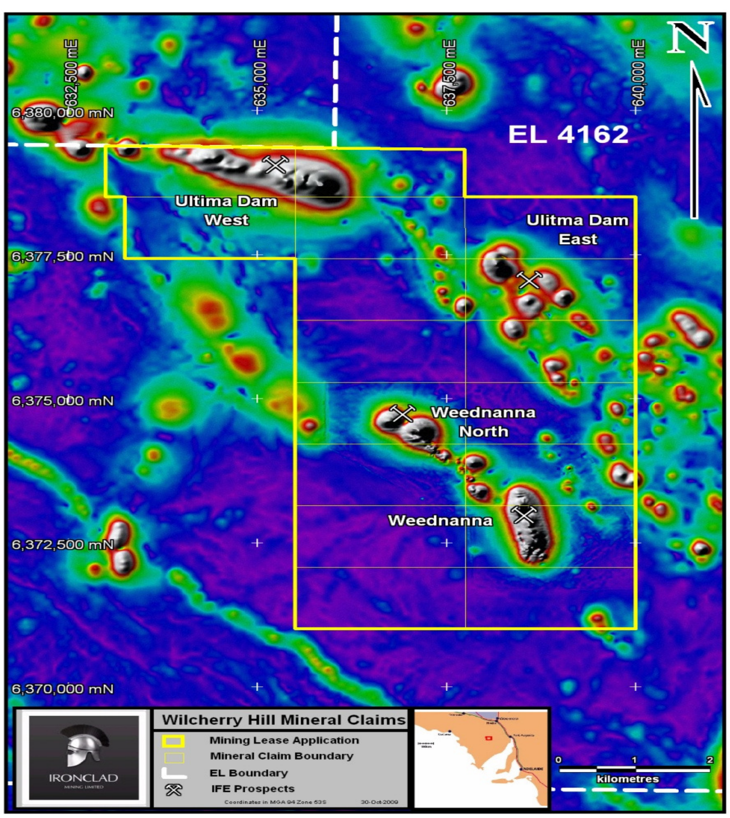


Figure 5: Wilcherry Hill Mining Lease Application Area

Project Overview (cont'd)

Environment

A thorough Flora and Fauna Biodiversity survey was completed on site at Wilcherry Hill by SKM in the spring of 2008. Indigenous members of the Native Title claimant group also participated in the site survey.

No major issues were identified. Three bird species that are threatened were recorded on site, including nests of mallee fowl. IronClad has decided to follow the EPBC referral process to mitigate any potential risk to schedule of the environmental approvals.

Figure 6: Photo of typical scenery at Wilcherry Hill

Financial Analysis

An internal financial review has shown that the Wilcherry Hill magnetite project is viable and due to its good geographical location, high quality ore and strong prices presents a positive NPV case and a potential superior return to investors. The robustness of the financial case will be even further strengthened as the resource size grows.

Risk

IronClad has undertaken a formal risk assessment process in accordance with AS4360 and has put in place planned actions to mitigate risks.

Stakeholders

Consultation with key authority stakeholders continued throughout the last year. IronClad Directors and Managers have met with members of local state and federal governments to ministerial level.

Project Overview (cont'd)

Capital Raisings

During the reporting period the Company made two capital raisings. The first was a Non-Renounceable Entitlement Issue of Shares offered to existing shareholders on a one for ten basis at $0.65 and had an 88% uptake. Trafford Resources fully participated in the IronClad Share Issue taking up its full entitlement of 2 million shares at the issue price of $0.65 per share.

The second capital raising was a pro rata Renounceable Entitlement Issue of one share for every five shares held by shareholders at an issue price of $0.85 per share to raise approximately $7,456,886. Trafford Resources fully participated in the IronClad share issue taking up its full entitlement of 4,386,403 shares at an issue price of $0.85 per share. Trafford Resources has a 50.15% direct interest in IronClad Mining and a 20% free carried interest in the Wilcherry Hill Iron Ore Project.

DIRECTORS' REPORT

Your directors present their report on the IronClad Mining Limited for the financial year ended 30 June 2010.

Directors

The names of directors in office at any time during or since the end of the year are:

Ian D. Finch

Neil W. McKay

Peter W. Rowe

Shane B. Sadleir (alternate for Ian Finch – resigned 17 March 2010).

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Neil McKay — Bachelor of Business.

Principal Activities

The principal activities of the Company during the financial year was mineral exploration.

There were no significant changes in the nature of the principal activities during the financial year.

Operating Results

The Company's loss after providing for income tax amounted to $921,718 (2009; Profit $142,075)

Dividends Paid or Recommended

No amounts have been paid or declared by way of dividends by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2010.

Review of Operations

On 13th July 2009, 20,000,000 fully paid ordinary shares and 2,500,000 unlisted options exercisable at $1.25 on or before 11th July 2009 were released from escrow.

On 11th July 2009, 2,500,000 options exercisable at $1.25 lapsed.

On 21st January 2010, 3,534,892 fully paid ordinary shares were issued at $0.65 raising $2,297,680 before costs.

On 13th April 2010, 329,139 fully paid ordinary shares were issued at $0.65 raising $213,940 before costs.

A review of and information about the Company's operations and exploration activities for the financial year and results of those operations are set out in the Executive Chairman's Report and Project Overview on pages 2 to 13 which form part of the Directors' Report.

Financial Position

The directors believe the Company is in a strong and stable financial position to expand and grow its current operations. The Company's net assets as at 30 June 2010 are $19,850,543 (2009: $18,245,071).

DIRECTORS REPORT (Cont'd)

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the Company that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

After Balance Date Events

On 11 July 2010, 3,750,000 unlisted options with an exercise price of $2.00 lapsed.

On 4 August 2010, the Renounceable Entitlement Issue of Shares offered on a one for five basis at 85 cents a share, closed with acceptances of $5,908,427.35. In addition, shareholders applied for $888,939.35 shortfall priority allocation.

Pursuant to section 3.5 of the Prospectus, the Directors have now placed the shortfall of the issue, being 1,821,716 fully paid ordinary shares on 3 September 2010.

On 31 August 2010, the Company signed a Native Title Mining Agreement with the Gawler Ranges Native Title Claim Group.

The Company announced an upgraded JORC Code Resource of 69.3 million tonnes skarn magnetite resource at its Wilcherry Hill Iron Ore Project on 8 September 2010.

Future Developments, Prospects and Business Strategies

To maximise shareholder wealth, the following developments are intended to be implemented in the near future:

i. The Company intends to submit its application for the Mining Licences over the respective prospects being studied for a mining operation.

ii. The completion of the Definitive Feasibility Study.

iii. The Company further intends to submit its Mining and Rehabilitation plan (MARP) to the Department of Primary Industries and Resources of South Australia for approval.

iv. Upon approval of the Definitive Feasibility Study of the Wilcherry Hill Iron Ore Project, it is anticipated that the Company will undertake capital raisings.

v. With funding secured the Company intends to begin development of its high grade crystalline skarn magnetite DSO product at Wilcherry Hill.

Environmental Issues

The Company's operations are subject to environmental regulation under the law of the Commonwealth and State in relation to exploration activities. The Directors are not aware of any significant breaches during the period covered by the report.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, or subsequent financial year. The Directors will reassess this position as and when the need arises.

DIRECTORS REPORT (Cont'd)

Information on Directors

Ian D Finch	Chairman/Executive Director
Qualifications	BSc (Hons) in Geology from the University of Birmingham (England), a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Company Directors.
Experience	Mr Finch's career spans 40 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa. In 1981 he joined CRA Exploration as a Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia. In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it was discovered a resource of approximately 1.0 million ounces at the Paulsen's Project. In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005 Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London. Mr Finch was Chairman of Bannerman Resources Limited from 30 May 2005 until 26 May 2006.
Interest in Shares and Options	32,500 fully paid ordinary shares. 500,000 options exercisable at $3.00 on or before 11 July 2011
Directorships held in other listed entities	Managing Director of Trafford Resources Limited.
Neil W. McKay	Non-Executive Director and Company Secretary
Qualifications	Bachelor of Business.
Experience	Neil McKay is a former Chartered Accountant and has been involved in the resources industry for more than 25 years. He has been Company Secretary for several listed resource public companies and held senior administrative and accounting positions for a number of other resource companies. Since 1995 he has operated as an independent consultant, specialising in the incorporation and administration of resource companies with special focus on South East Asia. For the last three years he has divided his time between Australia, where he consults to various public companies and continues his involvement in South East Asia.
Interest in Shares and Options	11,000 fully paid ordinary shares. 500,000 options exercisable at $3.00 on or before 11 July 2011
Directorships held in other listed entities	Director of Trafford Resources Limited.

DIRECTORS REPORT (Cont'd)

Peter W. Rowe	Non-Executive Director
Qualifications	B.Sc. (Chem Eng), FAusIMM, FAICD
Experience	Mr Rowe has extensive mining experience over a 35 year career in Australia and South Africa. Following 20 years with Anglo American and De Beers, he moved to Australia were he held a number of senior managerial positions. These included project director of the Fimiston expansion (Kalgoorlie Superpit), general manager of the Boddington Gold Mine and of the Boddington Expansion Project and managing director and CEO of Bulong Nickel. He joined AngloGold Ashanti Australia and transferred to Johannesburg in 2006. He has recently retired from his position there as executive vice president – business effectiveness, and has returned to Australia.
Interest in Shares and Options	Nil.
Directorships held in other listed entities	Current director of: Adamus Resources Limited (appointed 29 July 2009) Ammtec Limited (appointed 20 February 2009) Millennium Minerals Limited (appointed 21 July 2009)

Shane B Sadleir	Alternate Non-Executive Director to Ian D. Finch (Resigned on 17 March 2010)
Qualifications	B Sc (Hons) in Geology from the University of Western Australia and a Fellow of the Australasian Institute of Mining and Metallurgy.
Experience	Mr Sadleir is a soil scientist and geologist with 30 years experience in exploration, mining and environmental aspects of the mining industry. Between 1977 and 1990 he gained extensive operating experience in bauxite mines with Alcoa of Australia Ltd (Darling Ranges, Mitchell Plateau) and open cut gold mines in the Pilbara and Murchison Goldfields. Between 1990 and 2006 Mr Sadleir was active in the exploration and assessment of gold, uranium, nickel, base metals, bauxite and mineral sands projects in Australia and overseas. During this time he was also involved in the environmental impact assessments of industrial, mining and land use projects and Remediation of contaminated sites in Western Australia. Mr Sadleir was Managing Director of Bannerman Resources Limited from 19 February 2005 to 13 February 2006.
Interest in Shares and Options	22,000 fully paid ordinary shares held at resignation date.
Directorships held in other listed entities	Current director of: Trafford Resources Limited Robust Resources Limited (appointed 3 October 2008) Scotgold Resources Limited (appointed 12 March 2009)

DIRECTORS REPORT (Cont'd)

Meetings of Directors

During the financial year 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Held	Attended	Eligible to attend
Ian Finch	12	12	12
Neil McKay	12	12	12
Peter Rowe	12	12	12
Shane Sadleir	12	0	0

Indemnifying Officer

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Options

At the date of this report, the unissued ordinary shares of IronClad Mining Limited under option are as follows:

Expiry Date	Exercise Price	Number of Options
11 July 2011	$3.00	3,000,000
31 August 2012	$1.50	320,000
31 August 2012	$2.00	80,000
26 May 2013	$1.25	150,000
1 September 2014	$1.25	500,000
28 February 2015	$1.675	250,000

There have been no issue of ordinary shares as a result of the exercise of options during or since the end of the financial year.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

During the year, the Company settled out of court to conclude a dispute with an employee regarding the amount of their redundancy and related payments.

The Company was not a party to any other proceedings during the year.

DIRECTORS REPORT (Cont'd)

Non-audit Services

The board of directors is satisfied that the provision of non-audit services performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No other fees were paid or payable to the auditors for non-audit services performed during the year except for a fee of $13,803 (2009: $12,390) paid for taxation services.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 24 of the directors' report.

Consent of Competent Persons

Exploration Results

Information in this report relating to Exploration Results is based on information compiled by Mr. 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.

DIRECTORS REPORT (Cont'd)

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management person of IronClad Mining Limited, and for the executives receiving the highest remuneration.

Remuneration policy

The remuneration policy of IronClad Mining Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of IronClad Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best people to run and manage the Company, as well as create goal congruence between directors and shareholders.

The board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was approved by the board after seeking professional advice from independent external consultants.
- In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.

The Company is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. The Board were issued shares and options as part of the terms of the Initial Public Offer. Board members have retained these securities which assist in aligning their objectives with overall shareholder value.

Further performance incentives will be issued in the event that the Company moves from an exploration to a producing entity, and key performance indicators such as schedule, capital costs, profits and growth can be used as measurements for assessing Board performance.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

DIRECTORS REPORT (Cont'd)

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Company Performance, Shareholder Wealth and Directors' and Executives Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by the issue of shares to the majority of directors and executives to encourage the alignment of personal and shareholder interest.

The employment conditions of key management personnel are formalised in contracts of employment. The General Manager is employed under a fixed three year contract and all other key management personnel are permanent employees of the Company.

The employment contract of the General Manager stipulates that the Company may terminate his employment contract in certain limited circumstances. Termination payments are generally not payable on dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

Employment Contracts of Directors

The Company has not entered into a contract of employment with any director.

Details of Remuneration for Year Ended 30 June 2010

The remuneration for each director and executive of the Company during the period was as follows:

2010

	Salary, Fees and commissions	Director's Fee	Cash Bonus	Super-annuation Contribution	Termination	Options (iii)	Total
	$	$	$	$	$	$	$
Directors							
Ian Finch	176,037	-	3,937	68,518	-	-	248,492
Neil McKay	-	141,630	-	-	-	-	141,630
Peter Rowe	-	44,037	-	3,963	-	-	48,000
Shane Sadleir	-	-	-	-	-	-	-
Executives							
Andrew Bennett (i)	110,757	-	-	13,403	43,750	-	167,910
Patrick Clifford (ii)	336,736	-	-	30,306	-	71,131	438,173
	623,530	**185,667**	**3,937**	**116,190**	**43,750**	**71,131**	**1,044,205**

(i) Resigned 25th January 2010.

(ii) Resigned subsequent to 30 June 2010.

(iii) The fair value of the options is calculated at grant date using Black-Scholes model.

DIRECTORS REPORT (Cont'd)

2009

	Salary, Fees and commissions	Director's Fee	Super-annuation Contribution	Termination	Options (iv)	Total
	$	$	$	$	$	$
Directors						
Ian Finch	88,019	22,018	36,063	-	-	146,100
Neil McKay	48,000	44,037	3,963	-	-	96,000
Peter Rowe (i)	-	16,383	1,474	-	-	17,857
Shane Sadleir	-	-	-	-	-	-
David Macoboy (ii)	-	20,000	-	-	-	20,000
Executives						
Andrew Bennett	175,000	-	15,750	-	-	190,750
Patrick Clifford (iii)	229,167	-	20,625	-	-	249,792
	540,186	**102,438**	**77,875**	**-**	**-**	**720,499**

No director received either a cash or non cash bonus during the year ended 30 June 2009.

(i) Appointed 16th February 2009.

(ii) Remuneration was paid to Clermont Capital Pty Ltd in which Mr Macoboy has an interest. Mr Macoboy resigned 9th January 2009.

(iii) Appointed 1st September 2008.

(iv) The fair value of the options is calculated at grant date using Black-Scholes model.

Options issued as part of remuneration

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of IronClad Mining Limited to increase goal congruence between executives, directors and shareholders. The options issued to directors have no vesting condition and vest immediately while options issued to executives will vest after a two years period. When exercised all options issued will result in the issue of ordinary shares in the Company on a 1:1 basis.

Shares Issued on Exercise of Compensation Options

No options were exercised during the current and prior financial year that were granted as compensation in prior periods.

Share holdings and Option holdings

For further details on the movement during the year in the number of ordinary shares and options in IronClad Mining Limited held directly, indirectly or beneficially, by each Key Management Personnel, please refer to Note 5.

DIRECTORS REPORT (Cont'd)

Options: Granted and vested during the year

2010

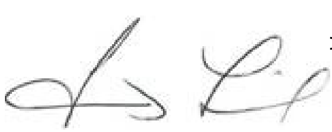
	Granted		**Terms and conditions for each grant**					**Vested**
	Number	**Date**	**Fair Value/ Option $**	**Exercise Price $**	**Expiry Date**	**First exercise date**	**Last exercise date**	**Number**
Directors								
Ian Finch	-	-	-	-	-	-	-	-
Neil McKay	-	-	-	-	-	-	-	-
Peter Rowe	-	-	-	-	-	-	-	-
Shane Sadleir	-	-	-	-	-	-	-	-
Executives								
Andrew Bennett	-	-	-	-	-	-	-	-
Patrick Clifford	500,000	01/09/09	0.20	$1.25	01/09/14	01/09/11	01/09/14	-
	500,000							**-**

The Company did not issue any options during the financial year ended 30 June 2009.

Options Granted as Part of Remuneration

2010

	Value of options granted during the year $	**Remu-neration Represented by Options %**	**Options Exercised $**	**Options Lapsed ($)**	**Total $**
Directors					
Ian Finch	-	-	-	-	-
Neil McKay	-	-	-	-	-
Shane Sadleir	-	-	-	-	-
Executives					
Andrew Bennett	-	-	-	-	-
Patrick Clifford	71,131	16	-	-	71,131
	71,131	**16**	**-**	**--**	**71,131**



lution of the Board of Directors.

Ian D. Finch, Executive Chairman

Dated this 30th day of September 2010

Bentleys
Thinking ahead

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our audit of the financial report of Ironclad Mining Limited for the year ended 30 June 2010 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 30th day of September 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Revenue and other income	2	99,746	311,895
Administrative expense		(43,011)	(37,057)
Consultancy expenses		(148,535)	(118,909)
Compliance and regulatory expenses		(81,564)	(31,742)
Depreciation expense		(91,502)	(83,592)
Director fees		(88,037)	(102,438)
Share option (expenses)/forfeited		(30,632)	220,000
Legal fees		(7,532)	(31,478)
Occupancy costs	3	(35,287)	(15,677)
Public relation costs		(114,483)	(134,792)
Staff expenses		(282,580)	31,598
Training		-	(3,045)
Asset write-downs		-	(11,899)
Exploration costs written off		(230,381)	(39,534)
Other expenses		(55,994)	106
Loss before income tax expense	4	(1,109,792)	(46,564)
Income tax benefit	4	188,074	188,639
Profit/(Loss) for the period		**(921,718)**	**142,075**
Other comprehensive income		-	-
Total comprehensive income for the period		**(921,718)**	**142,075**
Basic loss per share (cents per share)	7	(2.21)	0.36
Dilutive earnings per share (cents per share)	7	(2.21)	0.28

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	392,001	3,648,635
Trade and other receivables	9	596,217	275,268
TOTAL CURRENT ASSETS		988,218	3,923,903
NON-CURRENT ASSETS			
Trade and other receivables	9	39,950	11,200
Property, plant and equipment	10	170,513	182,542
Exploration and evaluation expenditure	11	22,306,496	14,393,935
TOTAL NON-CURRENT ASSETS		22,516,959	14,587,677
TOTAL ASSETS		23,505,177	18,511,580
CURRENT LIABILITIES			
Trade and other payables	12	3,166,017	150,092
Borrowings	13	300,000	-
Provisions	14	188,617	116,417
TOTAL CURRENT LIABILITIES		3,654,634	266,509
TOTAL LIABILITIES		3,654,634	266,509
NET ASSETS		**19,850,543**	**18,245,071**
EQUITY			
Issued capital	15	21,821,347	19,324,789
Options reserve	16	2,804,482	2,773,850
Accumulated losses		(4,775,286)	(3,853,568)
TOTAL EQUITY		**19,850,543**	**18,245,071**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

	Note	Issue Capital	Accumulated Losses	Option Reserve	Total
		$	$	$	$
Balance at 1 July 2008		19,324,789	(3,995,643)	2,993,850	18,322,996
Profit for the year		-	142,075	-	142,075
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	142,075	-	142,075
Share options forfeited		-	-	(220,000)	(220,000)
Balance at 30 June 2009	15	**19,324,789**	**(3,853,568)**	**2,773,850**	**18,245,071**
Balance at 1 July 2009		**19,324,789**	**(3,853,568)**	**2,773,850**	**18,245,071**
Loss for the year		-	(921,718)	-	(921,718)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	(921,718)	-	(921,718)
Share options issued		-	-	30,632	30,632
Shares issued during the year		2,511,620	-	-	2,511,620
Transaction costs		(15,062)	-	-	(15,062)
Balance at 30 June 2010	15	**21,821,347**	**(4,775,286)**	**2,804,482**	**19,850,543**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation activity		(7,241,962)	(5,515,285)
Payments for suppliers and employees		(914,195)	(774,170)
Interest received		99,253	314,318
Research and development rebate and other income		188,639	455
Net cash (outflows) from operating activities	17	**(7,868,265)**	**(5,974,682)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(79,473)	(5,388)
Loan repayments from other entities		-	29,976
Net cash provided by (used in) investing activities		**(79,473)**	**24,588**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received from other entities		2,194,820	-
Proceeds from issue of shares		2,511,620	-
Fundraising Costs		(15,062)	-
Net cash provided by (used in) financing activities		**4,691,378**	**-**
Net increase in cash held		(3,256,360)	(5,950,094)
Cash at beginning of financial year		3,648,635	9,598,521
Effect of exchange rates on cash holdings in foreign currencies		(274)	208
Cash at end of financial year	8	**392,001**	**3,648,635**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial report of IronClad Mining Limited (the "Company") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 30th September 2010.

IronClad Mining Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company's principal activity is exploration for iron ore.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. **Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Research and development costs are claimed as a rebate with the corresponding refund shown as an income tax benefit for the year.

b. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development and exploitation or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

from sale of the area; or

(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in relation to areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided from when exploration commences and are included in the costs. Site restoration costs include the dismantling and removal of equipment, building structures, waste removal, and rehabilitation of the site.

c. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Motor Vehicles	20%
Plant and Equipment	20 – 33%
Computer Equipment	20 – 33%

Paintings are not depreciated and are held at cost subject to revaluation at fair value.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

d. **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. **Earnings Per Share**

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

f. **Revenue and Other Income**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks with an original maturity of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h. **Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

i. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j. **Impairment of Assets**

At the end of each reporting period the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k. **Joint Venture Entities**

A joint venture entity is an entity in which the Company holds a long-term interest and which is jointly controlled by the Company and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

Joint Venture Operations

The Company has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own.

The financial statements of the Company include its share of the assets, liabilities, revenue, expenses and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to IronClad's interest in the joint venture operations.

l. **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs in relation to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

ii. *Loans and Receivables*

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are quoted in an active market are subsequently measured at amortised cost.

Loans and Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as current assets).

iii. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

iv. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

v. *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to maturity investment are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Company sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available-for-sale.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or expired. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

m. **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of its provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. **Share based payment transactions**

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

There is currently an Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model, further details of which are given in note 18.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the share price of IronClad Mining Limited ('market conditions').

o. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

p. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which that Company operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

q. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key estimates and judgements

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model, using the assumptions detailed in Note 18.

Exploration and evaluation costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting period date reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

r. **New accounting standards and interpretations**

From 1 July 2009 the Company has adopted the following Standards and Interpretations, mandatory for annual period beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Company.

- AASB 8 – Operating Segments. This standard requires the disclosure of information about the Company's segments. Adoption of this standard has not resulted in any revision to the Company's segment reporting.
- AAB 101 Revised – Presentation of Financial Statements. The revised standard introduces a number of terminology changes, which include revised title for the financial statements, and has also resulted in a number of presentation and disclosure changes in the primary statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following Australian Accounting Standards have been issued or amended and have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied preparing this financial report:

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.

AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
    1. the objective of the entity's business model for managing the financial assets; and
    2. the characteristics of the contractual cash flows.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTE 2: REVENUE AND OTHER INCOME

	2010 $	2009 $
Other Revenue:		
Interest earned	99,746	311,440
Other income	-	455
Total revenue and other income	**99,746**	**311,895**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 3: PROFIT/(LOSS) FOR THE YEAR

	2010 $	2009 $
Occupancy costs during the year includes:		
Minimum lease payment on operating leases	27,746	15,677
Other occupancy expense	7,541	-
	35,287	**15,677**

NOTE 4: INCOME TAX

		2010	2009
a.	The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:	(1,109,792)	(46,564)
	Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2009: 30%)	(332,938)	(13,969)
	Add:		
	Non deductible expenses at 30% tax rate	10,615	1,093
	Less (at the applicable tax rate of 30%):		
	- Capitalised Exploration	(2,348,326)	(1,435,822)
	- Other	769,116	(181,000)
	Carried forward tax losses at applicable rate of 30%	(4,574,901)	(3,085,355)
	Adjustments made to prior years	178,455	140,152
	Deferred tax assets not recognised in the accounts	6,297,979	4,574,901
	Research & Development Grant	188,074	188,639
	Income tax benefit	188,074	188,639
b.	Deferred tax assets		
	Losses available for offset against future taxable income	6,297,979	4,574,901

c. The potential deferred tax benefit of these tax losses has not been recognised as an asset because recovery of tax losses is not considered probable in the context of AASB 112.

The benefit of these tax losses will only be realised if:

i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.

ii) The Company complies with the conditions for deductibility imposed by the law; and

iii) No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

d. The controlled entity applied for and received a rebate from the Australian Taxation office of $188,074 (2009: $188,639) representing the tax value of research and development costs for the year. The refund is shown as an income tax benefit for the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5: KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of remuneration paid to each member of the Company's Key management personnel.

a. **Remuneration for Key Management Personnel**

	2010 $	2009 $
Short term employment benefits	813,134	642,624
Post employment benefits	116,190	77,875
Long-term benefits	-	-
Share-based payments	71,131	-
Termination payments	43,750	
Total remuneration	**1,044,205**	**720,499**

b. **Number of Shares Held by Key Management Personnel**

2010	**Balance 1.7.2009**	**Granted As Compensation**	**Purchased**	**Options Exercised**	**Net Change Other***	**Balance 30.6.2010**
Ian Finch	25,000	-	7,500	-	-	32,500
Neil McKay	10,000	-	1,000	-	-	11,000
Peter Rowe	-	-	-	-	-	-
Shane Sadleir (i)	20,000	-	2,000	-	-	22,000
Patrick Clifford	-	-	-	-	-	-
Andrew Bennett	-	-	-	-	-	-
Total	**55,000**	**-**	**10,500**	**-**	**-**	**65,500**

(i) Shane Sadleir resigned as alternate director of IronClad Mining Limited on 17 March 2010

2009	**Balance 1.7.2008**	**Granted As Compensation**	**Purchased**	**Options Exercised**	**Net Change Other***	**Balance 30.6.2009**
Ian Finch	25,000	-	-	-	-	25,000
Neil McKay	10,000	-	-	-	-	10,000
Peter Rowe	-	-	-	-	-	-
Shane Sadleir	20,000	-	-	-	-	20,000
David Macoboy (ii)	100,000	-	-	-	-	100,000
Patrick Clifford	-	-	-	-	-	-
Andrew Bennett	-	-	-	-	-	-
Total	**155,000**	**-**	**-**	**-**	**-**	**155,000**

(ii) David Macoboy resigned as director of IronClad Mining Limited on 9 January 2009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

c. **Number of Options Held by Key Management Personnel**

2010	**Balance 1.7.2009**	**Granted As Compensation**	**Exercised**	**Net Change Other***	**Balance 30.6.2010**	**Unvested and not exercisable**
Ian Finch	1,500,000	-	-	(375,000)	1,125,000	-
Neil McKay	1,500,000	-	-	(375,000)	1,125,000	-
Peter Rowe	-	-	-	-	-	-
Shane Sadleir	-	-	-	-	-	-
Patrick Clifford	-	500,000	-	-	500,000	500,000
Andrew Bennett (iii)	900,000	-	-	(500,000)	400,000	-
Total	**3,900,000**	**500,000**	**-**	**(1,250,000)**	**3,150,000**	**500,000**

(iii) Andrew Bennett resigned from IronClad Mining Limited on 25 January 2010

2009	**Balance 1.7.2008**	**Granted As Compen-sation**	**Exercised**	**Net Change Other***	**Held at Resignation**	**Balance 30.6.2009**	**Unvested and not exercisable**
Ian Finch	1,500,000	-	-	-	-	1,500,000	-
Neil McKay	1,500,000	-	-	-	-	1,500,000	-
Peter Rowe	-	-	-	-	-	-	-
Shane Sadleir	-	-	-	-	-	-	-
David Macoboy	1,500,000	-	-	-	-	1,500,000-	-
Patrick Clifford	-	-	-	-	-	-	-
Andrew Bennett	900,000	-	-	-	-	900,000	900,000
Total	**5,400,000**	**-**	**-**	**-**	**-**	**5,400,000**	**900,000**

*Net Change Other refers to shares/options purchased, sold or expired during the financial year.

The fair value of the options is determined using Black-Scholes option pricing method, detailed in Note 18.

NOTE 6: AUDITORS' REMUNERATION

	2010 $	**2009 $**
Remuneration of the auditor of the Company for:		
— Auditing or reviewing financial reports	29,600	31,500
— Other services	13,803	12,390
	43,403	**43,890**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: EARNINGS PER SHARE

		2010	2009
		$	**$**
a.	Earnings (Loss) used in the calculation of EPS	(921,718)	142,075
		No.	**No.**
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	41,658,854	40,000,003
	Weighted average number of options outstanding during the year that may be converted to ordinary shares	7,910,274	10,662,740
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	49,569,128	50,662,743

c. The weighted average number of options outstanding are ignored in the calculation of dilutive EPS if their inclusion is anti-dilutive.

NOTE 8: CASH AND CASH EQUIVALENTS

	2010	2009
Cash at bank and in hand	2,148	10,383
Short-term bank deposits	389,853	3,638,252
	392,001	**3,648,635**

Cash at bank and short term bank deposits earn interest at floating rate based on daily bank deposit rates.

NOTE 9: TRADE AND OTHER RECEIVABLES

	2010	2009
CURRENT		
Trade and other receivables	192,529	251,246
GST receivable	357,360	6,394
Other	34,503	6,667
Interest receivable	577	84
Office bond – Adelaide	11,248	10,877
	596,217	**275,268**
NON-CURRENT		
Office bond – Adelaide	24,950	11,000
Other bonds	15,000	200
	39,950	**11,200**

The Company has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 10: PLANT AND EQUIPMENT

	2010 $	2009 $
PLANT AND EQUIPMENT		
At cost	398,775	319,302
Accumulated depreciation	(228,262)	(136,760)
	170,513	**182,542**
(a) Reconciliations		
Carrying amount at beginning of period	182,542	272,645
Additions	79,473	5,388
Disposals – carrying amount	-	(11,899)
Depreciation expense	(91,502)	(83,592)
Carrying amount at end of period	**170,513**	**182,542**

There is no plant and equipment of the Company that has been pledged as collateral.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount at beginning	14,393,935	9,607,861
Expenditure incurred during the year	8,142,942	4,825,608
Expenditure written off	(230,381)	(39,534)
	22,306,496	**14,393,935**

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or site of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 12: TRADE AND OTHER PAYABLES

Accounts payable	395,312	32,553
Payables to related entity	1,894,820	32,128
Accruals	875,885	85,411
	3,166,017	**150,092**

Accounts payable are generally non-interest bearing and on 30 day terms. Related entity payable is further discussed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 13: BORROWINGS

	2010 $	2009 $
Loan from related entity	300,000	-

Related entity borrowing is further discussed in Note 24.

NOTE 14: PROVISIONS

		2010 $	2009 $
Employee entitlements	(i)	79,809	26,417
Taxes	(ii)	5,999	-
Rehabilitation	(iii)	102,809	90,000
		188,617	**116,417**

(i) Provision for annual leave payable to employees

(ii) 2009/10 was a provision for fringe benefit tax payable

(iii) Estimate of environmental rehabilitation required after drilling

(i) Employee entitlements

	2010 $	2009 $
Opening Balance	26,417	28,190
Amount Used	(45,246)	(82,123)
Additions	98,638	80,350
Closing Balance	**79,809**	**26,417**

(ii) Taxes

	2010 $	2009 $
Opening Balance	-	17,754
Amount Used	(4,608)	(17,754)
Additions	10,607	-
Closing Balance	5,999	-

(iii) Rehabilitation

	2010 $	2009 $
Opening Balance	90,000	100,000
Amount Used	(72,000)	(10,000)
Additions	84,809	-
Closing Balance	102,809	90,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: ISSUED CAPITAL

		2010 $	2009 $
a.	**Ordinary shares**		
	At the beginning of reporting period	19,324,789	19,324,789
	Shares issued during the year	-	-
	— 3,534,892 shares @ $0.65 on 19 January 2010	2,297,680	-
	— 329,139 shares @ $0.65 on 13 April 2010	213,940	-
	At reporting date	21,836,409	19,324,789
	Transaction cost relating to share issues	(15,062)	-
	At the end of reporting period	**21,821,347**	**19,324,789**
		No	**No**
b.	**Ordinary shares**		
	At the beginning of reporting period	**40,000,003**	**40,000,003**
	Shares issued during the year	**3,864,031**	**-**
	At the end of reporting period	**43,864,034**	**40,000,003**

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company has fully paid shares of no par value.

For information on relating to share options issued to key management personnel during the financial year, refer Note 5: Key Management Personnel, Note 16: Options Reserve, and Note 18: Share-based Payments.

Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. At 30 June 2010, the Company has a rights issue in place which was finalised subsequent to year end to meet its working capital requirement. Please refer to Note 23 for further details.

The Company's available working capital at 30 June was as follows:

	2010 $	2009 $
Cash and cash equivalents	392,001	3,648,635
Trade and other receivables	596,217	275,268
Trade, other payables and short term provisions	(3,654,634)	(266,509)
Total	**(2,666,416)**	**3,657,394**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 16: OPTION RESERVE

	Note	Company 2010 $	2009 $
Reserves at the beginning of the reporting period		2,773,850	2,993,850
Options issued during the year			
400,000 Employee Options Expired	(i)	-	(220,000)
500,000 Employee Options Forfeited	(ii)	(275,000)	-
500,000 Employee Options	(iii)	71,132	-
250,000 Employee Options	(iv)	234,500	-
		2,804,482	**2,773,850**

Option Reserve

The option reserve records items recognised as expenses on valuation of director and employee share options.

i) On 28 May 2009 the Company announced the expiry of 400,000 employee options at an exercise price of $1.25.

ii) On 10 June 2010 the Company announced the cancellation of 500,000 employee options at an exercise price of $1.25.

iii) On 10 June 2010 the Company announced the issue of 500,000 employee options at an exercise price of $1.25.

iv) On 10 June 2010 the Company announced the issue of 250,000 employee options at an exercise price of $1.68.

NOTE 17: CASH FLOW INFORMATION

	2010 $	2009 $
Reconciliations from the net loss after tax to the net cash flow from operations		
- Profit/(loss) from ordinary activities after income tax	(921,718)	142,075
Add Back non-cash flows in operating loss		
- Options issued to directors & vendors	30,632	(220,000)
- Depreciation	91,502	83,592
- Assets written off	-	11,899
- Foreign exchange loss (gain)	274	(208)
Less Change in assets & liabilities		
- Decrease (Increase) in receivables	(349,699)	67,533
- Increase in exploration and evaluation expenditure	(7,912,561)	(4,771,074)
- Increase (decrease) in trade & other creditors and accruals	1,121,105	(1,048,077)
- Increase (decrease) in Provisions	72,200	(240,422)
Net cash outflows from Operating Activities	**(7,868,265)**	**(5,974,682)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 18: SHARE-BASED PAYMENTS

The Company has adopted a scheme called the IronClad Employee Incentive Scheme (Scheme). The purpose the of Scheme is to give employees, directors, executive officers and consultants of the Company an opportunity, in the form of options, to subscribe for ordinary shares in the Company. The Directors consider the Scheme will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.

All options granted to key management personnel confer the right to purchase before the expiry date one ordinary share at the exercise price for every option held.

	2010		2009	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	10,300,000	2.05	10,700,000	2.02
Granted	750,000	1.39	-	-
Exercised	-	-	-	-
Forfeited	(500,000)	1.25	-	-
Expired	(2,500,000)	1.25	(400,000)	1.25
Outstanding at year-end	**8,050,000**	**2.28**	**10,300,000**	**2.05**
Exercisable at year-end	**7,300,000**	**2.37**	**9,250,000**	**2.11**

The options outstanding at 30 June 2010 had a weighted average exercise price of $2.28 (2009: $2.05) and a weighted average remaining contractual life of 0.96 years (2009: 1.29 years). Exercise prices range from $1.25 to $3.00 in respect of options outstanding at 30 June 2010 and 2009.

There were no options granted during the year ended 30 June 2009.

The options that were issued during the year had their price calculated by using a Black-Scholes option pricing model applying the following inputs:

	2010	**2009**
Weighted average exercise price	$1.39	-
Weighted average life to exercise date of the option	5.00 Years	-
Underlying share price	$1.25 - $1.34	-
Expected share price volatility	91% - 139%	-
Risk free interest rate	5.2% - 5.5%	-

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under share option expenses in the Statement of Comprehensive Income is a loss of $30,632 (2009: gain of $220,000), and relates, in full, to equity-settled share-based payment transactions that occurred during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19: FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments.

The Company does not use any form of derivatives as it does not have an exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks under procedures approved by the Board of Directors.

Treasury Risk Management

The Company is not of a size nor are its financial affairs of such complexity to justify the establishment of a Finance Committee. However, senior executives of the Company analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks arising from the Company's financial instruments are market risk (include interest rate risk), credit risk, and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market Risk

- Interest Rate Risk

The Company's exposure to market risk relates primarily to interest rate on its cash and cash equivalents and some of its trade and other receivables.

The Company manages interest rate and liquidity risk by monitoring levels of exposure to interest rate and assessment of market forecast for interest rate. It also monitors immediate and forecast cash requirements, to ensure adequate cash reserves are maintained.

The following sensitivity analysis together with mix of financial assets exposed to variable interest rate risk in existence at the end of the reporting period after taking into account judgements by management of reasonably possible movements in interest rates after consideration of the view of market commentators over the next twelve months.

Sensitivity Analysis

The following table summarises the sensitivity of the Company's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with other variables held constant, post tax loss and equity would have been affected as shown.

		Interest Rate Risk -1%		**Interest Rate Risk +1%**	
	Carrying Amount	Net Loss ($)	Equity ($)	Net Profit ($)	Equity ($)
30 June 2010					
Cash	392,001	(3,920)	(3,920)	3,920	3,920
Office Bonds	35,998	(360)	(360)	360	360
30 June 2009					
Cash	3,648,635	(36,486)	(36,486)	36,486	36,486
Office Bond	21,877	(219)	(219)	219	219

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT'D)

- Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The Company does not have significant exposure to price risk.

- Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company. The Company is not significantly exposed to foreign exchange risk, as all financial instruments are held in AUD.

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Due to the nature of the Company's business (advanced exploration and development), the Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. The Company keeps its cash and cash equivalent with financial institution which has ratings AA or better.

Trade and other receivables

As the Company operates primarily in advanced exploration and development activities, it has limited trade receivables and exposure to credit risk in relation to trade receivables.

The Company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows and the maturity profiles of its financial assets and liabilities to manage its liquidity risk. The Company does not have any external borrowings.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecast operational and development activities. The decision on how the Company will raise future funds which may include debt and equity will depend on market conditions existing at that time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

2010	**Weighted Average Effective Interest Rate %**	**Less than one month**	**1 to 3 Months**	**3 Months to one year**	**1 to 5 Years ($)**	**Total ($)**
Financial Assets						
Non-interest bearing	-	-	584,392	-	-	584,392
Variable interest rate	4.53	392,001	-	-	-	392,001
Fixed interest rate	5.89	-	-	11,248	24,750	35,998
		392,001	**584,392**	**11,248**	**24,750**	**1,012,391**
Financial Liabilities						
Non-interest bearing	-	3,141,956	-	127,870	-	3,269,826
Variable interest rate	8.16	-	300,000	-	-	300,000
		3,141,956	**300,000**	**127,870**	**-**	**3,569,826**
Net financial assets		**(2,749,955)**	**284,392**	**(116,622)**	**24,750**	**(2,557,435)**
2009						
Financial Assets						
Non-interest bearing	-	-	262,891	-	-	262,891
Variable interest rate	3.04	3,648,635	-	-	-	3,648,635
Fixed interest rate	4.47	-	10,877	-	11,000	21,877
		3,648,635	**273,768**	**-**	**11,000**	**3,933,403**
Financial Liabilities						
Non-interest bearing	-	133,592	-	116,417	-	250,009
		133,592	**-**	**116,417**	**-**	**250,009**
Net financial assets		**3,515,043**	**273,768**	**(116,417)**	**11,000**	**3,683,394**

(d) Net Fair Values

The net fair value of cash and cash equivalents and non interest bearing monetary financial assets and liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based upon market prices at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at balance date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 20: JOINT VENTURES

The Company has interests in unincorporated joint ventures as follows:

	Principal Activities	Interest 2010	Interest 2009	Carrying Value ($) 30 June 2010
Wilcherry Hill Iron Ore Joint Venture	Mineral exploration JV for iron with Trafford Resources Limited whereby Ironclad may earn up to 80% equity in the project by sole funding $10M by 21 May 2009. Trafford continues to have a free-carried interest until production of extracted minerals commences.	80%	80%	22,306,499

NOTE 21: COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	2010 $	2009 $
Not longer than one year	655,000	2,350,000
Longer than one year, but not longer than five years	3,370,000	1,650,000
Longer than five years	837,250	-
	4,862,250	**4,000,000**
Other – Not longer than one year	117,350	40,000
- Longer than one year, but not longer than five years	178,316	20,000
	295,666	**60,000**

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 22: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: OPERATING SEGMENTS (CONT'D)

Reportable segments disclosed are based on aggregating tenements where the tenements are considered to form a single project. This is indicated by:

- Having the same ownership structure.
- Exploration being focused on the same mineral or type of mineral.
- Exploration programs targeting the tenements as a group, indicated by the use of the same exploration team, and shared geological data, knowledge and confidence across the tenements.
- Shared mining economic considerations such as mineralisation, metallurgy, marketing, legal, environmental, social and government factors.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense;
- deferred tax assets and liabilities;
- discontinuing operations.

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: OPERATING SEGMENTS (CONT'D)

	Wilcherry Joint Venture $	Lincoln Joint Venture $	Total $
(i) Segment performance			
Period ended 30.06.2010			
Segment revenue	**-**	**-**	**-**
Reconciliation of segment revenue to Company's revenue			
Interest revenue			99,746
Total revenue			**99,746**
Segment result	**-**	**(230,381)**	**(230,381)**
Reconciliation of segment result to Company's net loss before tax			
Unallocated items:			
Corporate Charges			(757,277)
Depreciation			(91,502)
Option issue expense			(30,632)
Net loss before income tax			**(1,109,792)**
Period ended 30.06.2009			
Segment revenue	**-**	**-**	**-**
Reconciliation of segment revenue to Company's revenue			
External sales			455
Interest revenue			311,440
Total revenue			**311,895**
Segment result	**(39,534)**	**-**	**(39,534)**
Reconciliation of segment result to Company's net loss before tax			
Unallocated items:			
Corporate Charges			(143,438)
Depreciation			(83,592)
Option issue expense			220,000
Net loss before income tax			**(46,564)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: OPERATING SEGMENTS (CONT'D)

(ii) Segment assets	**Wilcherry Joint Venture $**	**Lincoln Joint Venture $**	**Total $**
Period ended 30.06.2010			
Segment assets	**22,321,496**	**-**	**22,321,496**
Reconciliation of segment result to Company's assets			
Unallocated items:			
Cash and cash equivalents			392,001
Trade and other receivables			621,167
Property, plant and equipment			170,513
Total assets			**23,505,177**
Additions to segment assets for the period:			
Exploration expenditure	8,142,053	-	8,142,053
Other – security bond	15,000	-	15,000
Total additions to segment assets	**8,157,053**	**-**	**8,157,053**
Period ended 30.06.2009			
Segment Assets	**14,164,443**	**229,492**	**14,393,935**
Reconciliation of segment result to Company's assets			
Unallocated items:			
Cash and cash equivalents			**3,648,635**
Trade and other receivables			**286,468**
Property, plant and equipment			**182,542**
Total assets			**18,511,580**
Additions to segment assets for the period:			
Exploration expenditure	**4,709,311**	**116,297**	**4,825,608**
Total additions to segment assets	**4,709,311**	**116,297**	**4,825,608**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 22: OPERATING SEGMENTS (CONT'D)

(iii) Segment liabilities	**Wilcherry Joint Venture $**	**Lincoln Joint Venture $**	**Total $**
Period ended 30.06.2010			
Segment liabilities	**2,873,249**	**-**	**2,873,249**
Reconciliation of segment liabilities to Company's liabilities			
Unallocated items:			
Trade and other payables			695,577
Provisions			85,808
Total liabilities			**3,654,634**
Period ended 30.06.2009			
Segment liabilities	**146,996**	**-**	**146,996**
Reconciliation of segment liabilities to Company's liabilities			
Unallocated items:			
Trade and other payables			93,096
Provisions			26,417
Total liabilities			**266,509**

All the Company's operation segments are currently located in Australia and it does not have any major external customer as it is currently has not reached production phase.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

On 11 July 2010, 3,750,000 unlisted options with an exercise price of $2.00 lapsed.

On 4 August 2010, the Renounceable Entitlement Issue of Shares offered on a one for five basis at 85 cents a share, closed with acceptances of $5,908,427.35. In addition shareholders applied for $888,939.35 shortfall priority allocation.

Pursuant to section 3.5 of the Prospectus, the Directors placed the shortfall of the issue, being 1,821,716 fully paid ordinary shares on 3 September 2010.

On 31 August 2010, the Company signed a Native Title Mining Agreement with the Gawler Ranges Native Title Claim Group.

The Company announced an upgraded JORC Code Resource of 69.3 million tonnes skarn magnetite resource at its Wilcherry Hill Iron Ore Project on 8 September 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 24: RELATED PARTY INFORMATION

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with related entities:

IronClad entered into an agreement with its parent company, Trafford Resources Limited, whereby Trafford was engaged to conduct exploration activities on its behalf while IronClad focussed its resources on its definitive feasibility study. Trafford will invoice IronClad on a quarterly basis for the costs it incurred undertaking this exploration.

At 30 June 2010, $1,894,820 is outstanding to Trafford Resources Limited for exploration activities that it has conducted on behalf of IronClad.

IronClad entered into a short term loan agreement with its parent company, Trafford Resources Limited, whereby it can access up to $1M at commercial rates. $300,000 was accessed at 8.16% interest per year.

Director Related Entities:

Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Company and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed in the Remuneration Report and Note 5 to the accounts.

These transactions were made on commercial terms and conditions at market rates.

NOTE 25: CONTINGENT LIABILITIES

There are no contingent liabilities outstanding at the end of the year.

NOTE 26: COMPANY DETAILS

The registered office of the company is:

Level 2, 679 Murray Street
West Perth WA 6005

The principal place of business:

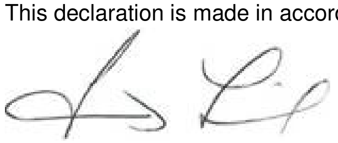
307 Pulteney Street
Adelaide SA 5000

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 25 to 55 and the remuneration disclosure that are contained in pages 20 to 23 of the Remuneration Report in the Directors' report, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company;
   c. the remuneration disclosures that are contained in pages 20 to 23 of the Remuneration Report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
   d. are in accordance with International Reporting Standard, issued by the International Accounting Standard Board; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ian D. Finch

Dated this 30th day of September 2010

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Independent Auditor's Report

To the Members of IronClad Mining Limited

We have audited the accompanying financial report of IronClad Mining Limited ("the Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Company.

Directors Responsibility for the Financial Report

The directors of IronClad Mining Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

To the Members of IronClad Mining Limited (Continued)

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a. The financial report of IronClad Mining Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company'sfinancial position as at 30 June 2010 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included within the report of the directors for the year ended 30 June 2010. The directors of IronClad Mining Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of IronClad Mining Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 30th day of September 2010

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – TO BE UPDATED

The distribution of members and their holdings of equity securities in the Company as at 23 September 2010 was as follows:

1. **Shareholding**

a. **Distribution of Shareholders**

Distribution of Shareholders	Number of Holders	Number Ordinary
1 – 1000	208	107,154
1001 - 5000	544	1,615,032
5,001 – 10,000	307	2,328,435
10,001 – 100,000	412	11,292,880
100,001 – and over	34	37,293,340
	1,505	**52,636,841**

b. The number of shareholdings held in less than marketable parcels is 99.

c. The names of the substantial shareholders listed in the holding company's register as at 23 September 2010 are:

Shareholder	Number Ordinary
Trafford Resources Limited	26,400,005

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Trafford Resources Limited	26,400,005	50.15%
2.	HSBC Custody Nominees (Australia) Limited	4,592,852	8.73%
3.	National Nominees Limited	1,073,251	2.04%
4.	Citicorp Nominees Pty Limited	787,503	1.50%
5.	Pennock Pty Ltd	600,000	1.14%
6.	ANZ Nominees Limited <Cash Income A/C>	412,829	0.78%
7.	Southern Wool Brokers Pty Ltd <The Dyson Family A/C>	375,905	0.71%
8.	Maniciti Pte Ltd	340,000	0.65%
9.	Michael John Williams & Katrina Elfreda Williams <Westwood A/C>	280,775	0.53%
10.	Robert Gordon Mckay <Mckays S/F A/C>	262,960	0.50%
11.	Dennis John Banks <The Banks Family A/C>	232,640	0.44%
12.	George & Helen Soumelides <G & H Soumelides S/F A/C>	220,000	0.42%
13.	Starwide Investments Pty Ltd	214,400	0.41%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – TO BE UPDATED

e. **20 Largest Shareholders — Ordinary Shares**

Name		**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
14.	Cosine Trading Pty Ltd	205,000	0.39%
15.	Gavin James Bassett	172,200	0.33%
16.	Paramjit Singh Nagra & Surinder Kaur Nagra <PSN Superannuation Fund A/C>	168,000	0.32%
17.	Giuseppe & Tania Susan Moro	157,730	0.30%
18.	Bond Street Custodians Limited	156,084	0.30%
19.	Penimaha Pty Ltd <Rullo Super Fund A/C>	139,590	0.27%
20.	Quantum Holdings Pty Ltd <Peter Woods Superfund A/C>	120,000	0.23%
		36,911,724	70.14%

2. The name of the company secretary is Neil W. McKay

3. The address of the principal registered office in Australia is Level 2, 679 Murray Street , West Perth, W.A. 6005. Telephone + (08) 9485 1040

4. Registers of securities are held at the following addresses

   Western Australia Advanced Share Registry Ltd. 150 Stirling Highway, Nedlands W.A. 6009

5. **Stock Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited. The Company's ASX code is IFE.

6. **Unquoted Securities**

   Options over Unissued Shares

   A total of 4,300,000 options are on issue. 2,500,000 options are on issue to current and former directors and 1,800,000 employees under the IronClad Mining Limited Employee Option Plan.

<table>
<tr><th colspan="2">CORPORATE GOVERNANCE STATEMENT</th></tr>
<tr><td colspan="2">IronClad Mining is committed to implement and maintain the highest standard of Corporate Governance and has made it a priority to adopt systems of control and accountability as the basis for administration of its Corporate Governance. The Company has taken note of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice</td></tr>
<tr><td colspan="2">Further information about the Company's corporate governance practices, including the relevant information on the Company's charters, code of conduct and other policies and procedures are set out on the Company's website at www.ironcladmining.com</td></tr>
<tr><td colspan="2">During the Company's financial year ended 30 June 2010 ("Reporting Period"), the Company has followed each of the Principles and Recommendations:</td></tr>
<tr><td>Principle 1</td><td>Lay solid foundations for management and oversight</td></tr>
<tr><td>1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions</td><td>The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the company to the Executive Chairman.</td></tr>
<tr><td>1.2 Companies should disclose the process for evaluating the performance of senior executives.</td><td>Each senior executive is required to participate in a bi-annual review process with the Executive Chairman, which assesses individual performance.</td></tr>
<tr><td>1.3 Companies should provide the information indicated in the Guide to Reporting on Principle 1</td><td>The Board Charter is available on the Company's website. Bi-annual evaluations of senior executives have been conducted in accordance with the process disclosed.</td></tr>
<tr><td>Principle 2</td><td>Structure of the board to add value</td></tr>
<tr><td>2.1 A majority of the board should be independent directors</td><td>
<table>
<tr><td>Name</td><td>Position</td><td>Expertise</td><td>Term of Office</td></tr>
<tr><td>Ian D. Finch</td><td>Executive Chairman</td><td>Commercial and Exploration</td><td>Appointed 19 April 2007
38 months</td></tr>
<tr><td>Neil W. McKay</td><td>Non Executive Director</td><td>Commercial</td><td>Appointed 19 April 2007
38 months</td></tr>
<tr><td>Peter W. Rowe</td><td>Non Executive Director</td><td>Commercial and Development</td><td>Appointed 16 Feb 2009
16 months</td></tr>
</table>
</td></tr>
<tr><td>2.2 The chair should be an independent director</td><td>Mr. Finch is the Executive Chairman of the Company and does not meet the Company's criteria for independence. Mr. Finch's experience and knowledge of the Company make his contribution to the Board such that it is appropriate for him to remain on the Board.</td></tr>
<tr><td>2.3 The roles of chair and chief executive officer should not be exercised by the same individual</td><td>The Company does not have a Chief Executive Officer. However the company has an Executive Chairman who also acts as Managing Director. Mr. Finch's experience and knowledge of the Company make his contribution to the Board such that it is appropriate for him to remain on the Board.</td></tr>
<tr><td>2.4 The board should establish a nomination committee</td><td>The Board, as a whole serves as the Company's nomination committee. Terms and conditions of employees are negotiated by the Executive Chairman for recommendation to the Board.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT	
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	During the reporting year, the Company did not conduct a formal evaluation of Directors and Executives. The Board undertakes an annual review of its own performance with external advice as appropriate.
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2	The Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. The Board or individual directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Executive Chairman. The Board, as a whole, will serve as the Company's nomination committee. The Board will determine the procedure for the selection and appointment of new directors and the re-election of incumbents, subject to shareholder approval, having in accordance with the Company's Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgment, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction for the Company.
Principle 3	**Promote ethical and responsible decision making**
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: • The practice necessary to maintain confidence in the Company's integrity • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices	The Company's Corporate Governance Plan includes the following policies which provide a framework for decisions and actions in relation to ethical conduct in employment. • Securities Trading – Directors and Executives • Continuous Disclosure • The Company's Obligations to Stakeholders • Code of Conduct for Directors and Key Officers • Health Safety Environmental Charter • All of the Company's Corporate Governance Polices are publicly available on the Company's website.
3.2 Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy	The Company has established a policy concerning trading in the Company's securities by directors, senior executives, employees and contractors and is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT	
3.3 Companies should provide the information indicated in the Guide to reporting on Principle 3	The corporate code of conduct and the trading policy of the Company are included in the Company's Corporate Governance Polices
Principle 4	**Safeguard integrity in the financial reporting**
4.1 The board should establish an audit committee	Given the size and scope of the operations of the Company, the full board has assumed those responsibilities that are ordinarily assigned to an audit committee.
4.2 The audit committee should be structured so that it: • Consist of only non-executive directors • Consist of a majority of independent directors • Is chaired by an independent Chair, who is not Chair of the Board • Has at least three members.	The full Board carries out the duties of the audit committee. Given its size and composition, the Board does not consider that the Company will gain any benefit from the formation of a separate audit committee.
4.3 The audit committee should have a formal charter	The Company has a formal audit charter which the full board abides by.
4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4	It is the board's responsibility to ensure that an effective internal control framework exists with the Company. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial and non financial information. The shareholders in general meeting are responsible for the appointment of external auditors of the Company and the board from time to time will review the scope, performance and fees of those external auditors.
Principle 5	**Make timely and balanced disclosure**
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	The Board has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5	The board has designated the Executive Chairman as the person responsible for overseeing and coordinating disclosure of information to the ASX and the Company Secretary has responsibility of communicating with ASX. The company has a Continuous Disclosure Policy.

CORPORATE GOVERNANCE STATEMENT	
Principle 6	**Respect the rights of shareholders**
6.1 Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	The Board has designed a communication policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.
6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6	The Board is committed to open and effective communications, ensuring all shareholders are informed of all significant developments concerning the Company. The Company has in place an effective Shareholder Communications Policy.
Principle 7	**Recognise and manage risk**
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	The board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
7.2 The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board. The board is required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risk is integrated within business planning and management activities. The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include: • Board receives regular updates on key risks associated with the development of the Company's Wilcherry Hill Iron Ore Project and has commissioned an Indicative Feasibility Study, which will also report on material risk for the Project. • Implementation of Board approved annual operating budgets and plans, then monitoring the actual progress against those; and The board will seek to develop a more extensive Risk Management Policy over the coming year, which can be used as a guide through out the Company in identifying and communicating business risks.

CORPORATE GOVERNANCE STATEMENT	
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	The board will seek the relevant assurance from the management and the executive director (or their equivalents) at the relevant time.
7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.	The board determines the risk profile and will ensure that the management or the executive director provide the assurance under Recommendation 7.3
Principle 8	**Remunerate fairly and responsibly**
8.1 The board should establish a remuneration committee	The board as a whole takes responsibility for remuneration.
8.2 Companies should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.	The board distinguishes the structure of non-executive director's remuneration from that of executive directors and senior executives. The Company's Constitution and the Corporation Act also provides that the remuneration of non-executive directors be not more than the aggregate fixed sum determined by a general meeting. There is no scheme to provide retirement remuneration to non-executive directors. The board is responsible for determining the remuneration of the executive director (without the participation of the affected director).
8.3 Companies should provide the information indicated in the Guide to reporting on Principle 8	Full details regarding the remuneration of Directors, is included in the Directors' Report

CORPORATE GOVERNANCE STATEMENT

During the Company's financial year ended 30 June 2010 ("Reporting Period"), the Company has followed each of the Principles and Recommendations other than in relation to the matters specified below:

Principle 1	
Recommendation 1.1:	**Companies should disclose the process for evaluating the performance of senior executives.**
Explanation for Departure:	The Company is of a size that Directors and senior executives liaise on a regular basis throughout the year, enabling continual evaluation to take place.
Principle 2	
Recommendation 2.1:	**A majority of the board should be independent directors**
Explanation of Departure:	The Board considers that its present composition is adequate for the Company's current size and operations and includes an appropriate mix of skills, and expertise, relevant to the Company's business. The Board has adopted a Policy on Independent Professional Advice to assist Directors with independent judgement
Recommendation 2.2:	**The Chairperson should be an independent director**
Explanation of Departure:	Mr. Ian Finch does not satisfy all of the Independence Criteria. The Board believes that Mr. Finch is the most appropriate person for the position as chair because of his extensive industry experience.
Recommendation 2.3:	**The roles of the chair and managing director should not be exercised by the same individual.**
Explanation of Departure:	While the Board recognises the importance of the need for the division of responsibilities between the chair and the managing director, the existing structure is considered appropriate to the Company's present circumstances. It provides a unified leadership structure which the Board believes is important given the Company's early stage of corporate development. Mr. Finch has been a major force in the current direction of the Company and has provided strong and effective leadership to the Board.
Recommendation 2.4:	**The board should establish a nomination committee**
Explanation of Departure:	The role of the nomination committee is carried out by the full Board. Given its size, the Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board has adopted and applies a Nomination Committee Charter.
Principle 4	
Recommendation 4.1 & 4.2:	**The board should establish an audit committee structured in accordance with the recommendations.**
Explanation for Departure:	The full Board carries out the duties of the audit committee. Given its size and composition, the Board does not consider the Company will gain any benefit from the formation of a separate audit committee. The Board has adopted an Audit Committee Charter which provides that the Board may meet with the external auditor, without management present.

CORPORATE GOVERNANCE STATEMENT

Principle 8	
Recommendation 8.1	**The board should establish a remuneration committee structured in accordance with the recommendations.**
Explanation for Departure	Due to the small size and structure of the Board, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. The Board considers that it is more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. When considering matters of remuneration the Board functions in accordance with its Remuneration Committee Charter. In addition, all matters of remuneration will continue to be determined in accordance with Corporations Act requirements, especially in respect of related party transactions. This is, no directors participate in any deliberations regarding their own remuneration or related issues.

SCHEDULE OF MINERAL TENEMENTS

AS AT 30 SEPTEMBER 2010

Project	***Tenement***	***Interest held by IronClad Mining Limited***
Wilchery Hill	EL 4162 Formerly EL3095	Joint Venture Agreement has earned an 80% interest in the iron contained within the four tenements registered in the name of Trafford Resources Limited
Peterlumbo	EL4421 Formerly EL3272	
Eurilla Dam	EL 3981 Formerly EL3021	
Valley Dam	EL 4286 Formerly EL3190	

P Prospecting Licence

E Exploration Licence

M Mining Licence