



Trafford Resources Limited

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21st April 2010

ASX Release

Trafford Subsidiary to Issue 4.4 million Shares For Chinese Funding

The Directors of Trafford Resources Limited (ASX: TRF) are pleased to advise that the Company's 50% owned subsidiary IronClad Mining Limited (ASX:IFE) has announced its intention to issue a total of 4,400,000 shares to MCCM Capital Management Co. Ltd. (MCCM) to fund the cost of the Bankable Feasibility Study currently being undertaken by IronClad on its high quality, skarn crystalline magnetite iron ore project at Wilcherry Hill in South Australia.

MCCM's capital is sourced from Asia Pacific institutional investors and Chinese privately-owned steel enterprises.

Full details of the intended placement are contained in the attached ASX Release issued today by IronClad.

These arrangements are subject to approval by IronClad's existing shareholders, and to the routine statutory requirements of the Australian and Chinese authorities. Subject to such approvals, the Director's of Trafford will be pleased to welcome this strategic investment of Chinese funding into the Wilcherry Hill Iron Ore project.

Ian Finch

Managing Director

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Chinese Mining Fund Signs MOU For 50% Stake in DSO Stage of Wilcherry Hill Iron Ore Project.

Highlights.

- **Chinese Funding for IronClad Development**
- **Start- up Capital Secured.**
- **Early Production on Track.**

The Directors of IronClad Mining Limited (ASX:IFE) and Trafford Resources Limited (ASX:TRF), participants in the Wilcherry Hill iron ore joint venture, are pleased to announce that they have signed a Memorandum of Understanding (MOU) with MCCM Capital Management Co. Ltd.,(MCCM), under which MCCM can earn a 50% interest in **Stage One** of the Wilcherry Hill Iron Ore Project in South Australia by agreed expenditure of AUD\$35 Million. The MOU provides for a 120 days for MCCM, IFE and TRF to enter into a **Stage One** Joint Venture Agreement.

Upon completion of MCCM's expenditure, the Stage 1 Joint Venture will be MCCM = 50%, IFE = 30%, TRF = 20%. IronClad retains 80% of the remainder of the Wilcherry Hill and Hercules projects.

The formal agreement emanating from the MOU will be subject to IFE shareholder approval as well as the normal Australian and Chinese regulatory approvals.

MCCM's funding will be drawn from the capital of a mining fund sourced from Asia-Pacific institutional investors and Chinese private steel enterprises. Its investment strategy is to support Australian mining companies through capital, technology and marketing, and to build a bridge between Australian mining and trading companies and Chinese end-users.

Stage One of the Wilcherry Hill Project will produce high quality, low containment Direct Shipping Ore (DSO) which is also the highest value iron ore to steel makers. It is defined, for the purposes of the MoU, as specification ore that can be produced by simple low cost, **dry** beneficiation. It is anticipated **that Stage One**, which is being fast tracked into production by the end of this year, will deliver up to two million tonnes a year for at least three years of DSO ore.

In February IronClad also signed an MOU with Liuzhou Iron and Steel Co Ltd of China for the sale of up to one million tonnes of Wilcherry Hill DSO a year with the delivery time to be mutually agreed and, and with prices to take account of prevailing market conditions.

On April 7 the Directors of IronClad and Trafford advised that the substantial increase in iron ore prices agreed between major suppliers and end users could increase their Pre-feasibility Study (PFS) estimated margins by some \$20 a tonne to a total estimated margin of approximately \$50 a tonne for Wilcherry Hill high quality, low contaminant ore, thereby significantly increasing the overall value of the project.

Delivery of this high value product during the current period of very strong demand is expected to provide the current Wilcherry Hill Joint Venture with a strong cash flow to assist in the funding of Stages Two and Three of the project.

Stage Two of the project is defined as all other skarn related, crystalline magnetite iron ore from the Wilcherry Hill tenements (excluding Hercules) which must be concentrated through wet processes to achieve specification., This excludes all Stage One ore.

Stage Three is defined as production from the massive Hercules Project, comprising the production of Banded Iron Formation (BIF) magnetite, hematite and goethite.

Both IFE and TRF look forward to a close and continuing relationship with MCMC in the forthcoming years.

For further information please contact Mr. Ian Finch +08 9485 1040.



Ian D. Finch
Executive Chairman