



IRONCLAD

MINING LIMITED

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QUARTERLY REPORT 31ST MARCH 2011

The Directors of IronClad Mining (**ASX: IFE**) are pleased to announce that work on the project has progressed rapidly in the last quarter and the Company is on track to begin mining in Q4 2011. Activities in the last reporting period include:

- **Capital raising of \$11 million completed**
- **Accommodation village contract awarded**
- **Mining Lease Proposal (MLP) submitted to PIRSA**

IronClad Mining Ltd (ASX: IFE) has agreed to let a \$4.7 million contract for the construction of a mine village at Kimba, South Australia, to accommodate the workforce for the Wilcherry Hill Iron Ore mine. See Figure 1. The village, to be built by Ausco Modular of South Australia, will be sized to accommodate 40 people initially. It has been planned for easy expansion to accommodate the 80 strong workforce who will be required as the Wilcherry Hill Iron Ore Project expands to full capacity.

It has been designed with high quality low density aesthetic housing to blend into the farming town, which is 46km from the Wilcherry Hill mine.



Figure 1: Example of proposed mine accommodation village

IronClad Mining Executive Chairman Ian Finch said that the Kimba council and community has been extremely positive about the opportunity to house the Wilcherry workforce and were giving assistance wherever they could. “The people recognise that the mine will create employment in the district and expand the population, and they expect that the mine village will contribute to improving economic and social well being throughout.”

The Mining Lease Proposal (MLP) has been carefully prepared by IronClad in conjunction with Coffey Environments and has been submitted to the South Australian Mines Department (PIRSA). There is likely to be a 5 - 6 month approval process which, if successful, will be followed by submission of the Company’s Mining and Rehabilitation Programme (MARP) which is likely to require a further 2 months before final approval to mine is attained. First mining is therefore expected to commence early in the fourth quarter 2011 with first shipments anticipated in December 2011.

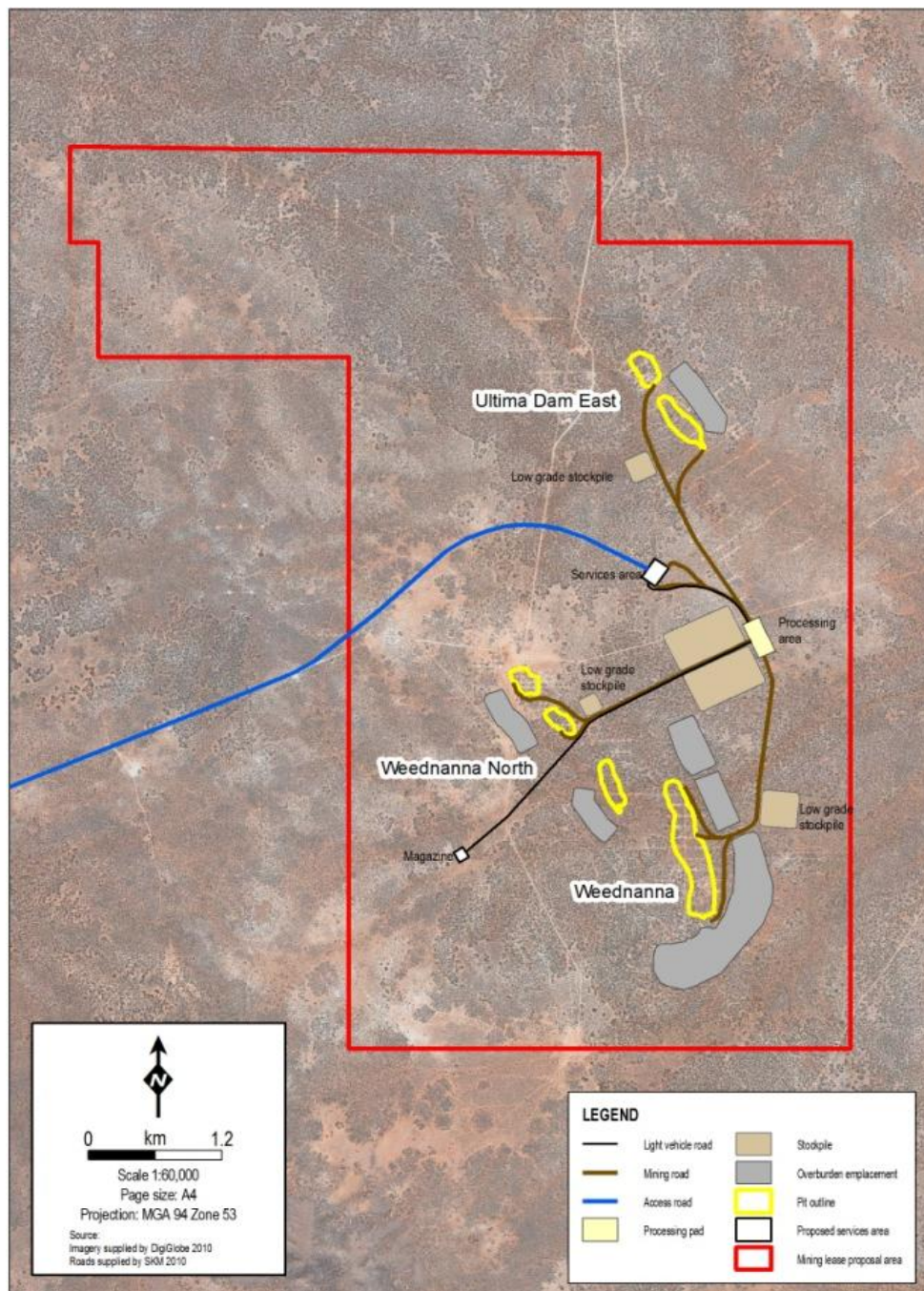


Figure 2: Map of Wilcherry Hill Mining Lease Application highlighting Weednanna, Weednanna North, Ultima Dam East deposits

The Wilcherry Hill Iron Ore Project is being developed to begin production of premium quality, Direct Shipping Ore (DSO) for sale to Chinese steel mills. Production is scheduled to begin in the December quarter, ramping up to 2 million tonnes a year of the premium product.

Sale of the first two years of production from stage one of the project has already been secured under a comprehensive sales contract and marketing agreement between IronClad and OM Materials Ltd of Singapore, a subsidiary of OM Holdings (OMH).

OM Materials will ship the ore to a stockpile in southern China for selling directly to the steel mills at prevailing market prices. See Figure 3.

IronClad completed a feasibility study for stage one of the Wilcherry Hill Project late last year.

This indicated that, with an average iron ore price of A\$140 per tonne net of freight charges into China and initial operating costs of around A\$85 per tonne, the project would provide IronClad with margins of approximately A\$55 per tonne and an operating cash flow of around A\$110 million a year at full production during stage one.



Figure 3: Iron Ore stockpiles in Southern China

Corporate

IronClad successfully completed a non-renounceable rights issue on 31 March 2011 to raise \$11.3 million from a rights issue of 15,132,969 shares at 75c per share on the basis of one IronClad share and one free attaching option for every four shares held. The free attaching options is exercisable at 75c on or before 30th March, 2012.

The funds will be used for ongoing construction and fabrication for the \$26 million start-up of stage one of the Wilcherry Hill Iron Ore Project, including the securing of long lead time items. Production is expected to commence in the final quarter of this year.

The successful conclusion of the rights issue means that IronClad has raised approximately \$17 million, since December 2010, of the \$26 million start-up capital outlined as being required in the feasibility study. Current trends in China's iron ore consumption and the robust nature of the Wilcherry Hill project means it is anticipated that most of the remaining capital requirement would be satisfied from debt facilities and repaid from production. This removes the need to ask shareholders for further funding while preserving their equity levels and future value in the project.

Several local and overseas financial institutions have expressed a strong interest in providing capital and the Company is currently in discussion with them.



Ian Finch
Chairman
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The information in this announcement that relates to results, is based on information compiled by Ian D. Finch, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years experience in the field of activity being reported on and is Executive Chairman of the Company.

Mr. Finch has sufficient experience which is relevant to the style of mineralisation and type of deposit 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, Mineral 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.