

30 April 2012

Quarterly Report to 31 March 2012

HIGHLIGHTS

- Development Application for the port facilities at Lucky Bay approved by the State Government in early April, paving the way to commence construction of the port infrastructure following the finalisation of detailed design and a review of tenders.
- Capital injection of \$12.1 million from the successful conversion and underwriting of 16.2 million options that expired on 30 March 2012.
- An additional \$13 million received from strategic share placements to sophisticated investors including the New Page Investment Group from Hong Kong.
- Approval of the Program for Environmental Protection and Rehabilitation (“PEPR”) by the South Australian Government was received on 24 December 2011.
- The PEPR Environmental Rehabilitation Bond of \$5.8 million was lodged on 24 February.
- Construction of the Dry Magnetic Separation (“DMS”) plant commenced.
- The first motorised barge to be utilised for transshipment of ore from the port to the awaiting ships at anchor is 40% complete, with a completion forecast date of August this year.
- Recent trip to China confirmed the design and performance of the shipping container’s rotainer, ram spreader and container design.
- Off-take agreement signed with New Page Investments for up to 50% of the production from the Wilcherry Hill Project during the first four years of operation.
- Infill drilling program completed for the first pit to be mined at the Weednanna prospect at Wilcherry Hill.
- Design and operating parameters for the Gravity Separation (“GS”) circuit advanced with Battery Limits group.
- Appointment of Wayne Richards as Managing Director.

CORPORATE

During the quarter IronClad Mining Limited (ASX: IFE) (“IronClad” or “the Company”) established a new corporate office in West Perth and recruited a new Managing Director, Mr Wayne Richards, a Chief Operating Officer, Mr Robert Mencil and a part-time Chief Financial Officer, Mr Bruno Seneque. Additionally, key mining engineers, and a contracts and processing specialist have been recruited, to assist IronClad in the expeditious development of contracts, project execution and commissioning plans for the mine, transport logistics chain and port development/operation. The project team will continue to operate out of the Adelaide office.

The Company received \$13 million through placements to sophisticated investors. These funds were in addition to the options exercised at 75 cents, which expired on 30 March 2012. The options were underwritten, and raised an additional \$12.1 million for IronClad. The money raised illustrates the great investor interest in the Company and the Wilcherry Hill Project as well as continued shareholder support to see the project through to production. A summary of the raisings completed this quarter is outlined below.

A \$4 million share placement at 85 cents was completed by Cygnet Capital who was also involved in IronClad’s \$3 million share placement in February this year. In addition to the placement, Cygnet Capital underwrote up to 12 million of the 16 million options ensuring a minimum of \$9 million was to be received from the conversion of the 75 cent options. The full sum of \$12.1 million was received, which incorporated a high conversion rate of options from the existing shareholder base.

In January, global investment group New Page Investments Limited took a \$6 million share placement in the Company. The placement of 7.5 million shares to the Hong Kong-based resources industry investor was completed at 80 cents per share, which represented a premium of 20% on 10 January closing price of 66.5 cents for IronClad shares on the Australian Securities Exchange.

As part of the placement an off-take agreement was also agreed upon with New Page Investments.

The agreement secures up to 50% of the iron ore produced from the Wilcherry Hill mine for the first two years and follows a similar but separate off-take agreement signed last year with a Singaporean trading company OM Holdings. The latest agreement also secures 50% off-take of the ore for years three and four.

Under the terms of the new agreement, New Page Investments must pay IronClad 95% of the agreed value of iron ore on each ship from our Lucky Bay port facility in the Spencer Gulf of South Australia, within 30 days of that ship departing, with the remainder of the payment agreed upon confirmatory receipt of cargo and grade at the port of final destination.

WILCHERRY HILL PROJECT

Health, Safety, Environment and Community

In February, local employment and contracts workshops were held in Kimba and Cowell in conjunction with Lucas Earthmoving, POAGS, Australian Catering Services and TAFE SA. Cowell recorded 96 attendees, whilst Kimba recorded 146 attendees. Further workshops with the native title group and the community are planned for May.

Resource and Geology

During the quarter, IronClad further defined and refined several key infrastructure and mining contracts and had completed additional infill drilling associated with the development of the first pit at the Wilcherry Hill Project in South Australia.

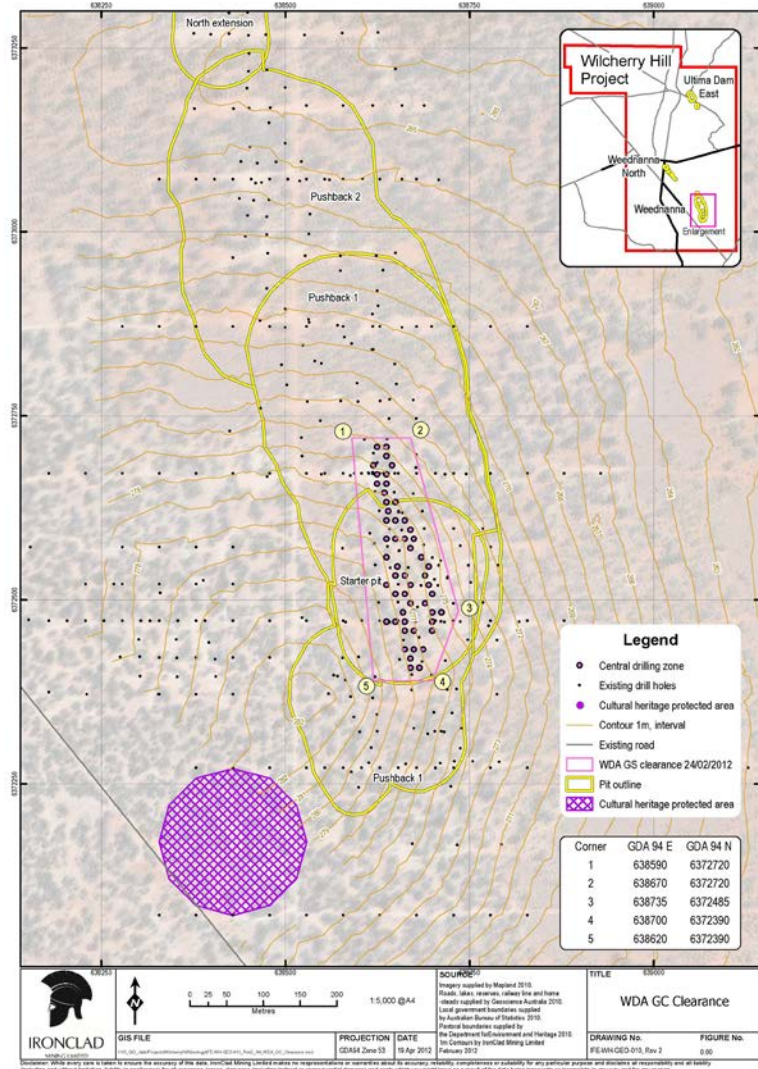


Figure 1: Grade control drilling at Wilcherry Hill - Weednanna Pit

The grade infill drilling program (see Figure 1) was designed to define a detailed grade control model focusing on the first six months of production along with further optimised scheduling and detailed mine planning. A reverse circulation (“RC”) drill rig completed the 2,000m program.

The move to construction start-up follows the South Australian Government’s announcement of formal approval for IronClad’s Program for Environmental Protection and Rehabilitation (“PEPR”) – formerly known as the Mining and Rehabilitation Plan – the final statutory hurdle for the commencement of mining, production management and logistics.

In announcing IronClad’s PEPR approval, South Australian Mineral Resources and Energy Minister, Mr Tom Koutsantonis,

said the new mine would pave the way for the creation of up to 150 jobs and more than \$340 million in investment in the region.

Exploration Activities

A preliminary review of the work required to advance both Ultima Dam West (“UDW”) and Hercules was completed during the quarter.

UDW has an Inferred Resource of 7.8Mt. Approximately 5,000m of RC drilling is required to upgrade this resource and define the zone most suitable for mining, post the mining of Weednanna, (“WDA”) Weednanna north (“WDN”) and Ultima Dam East (“UDE”).

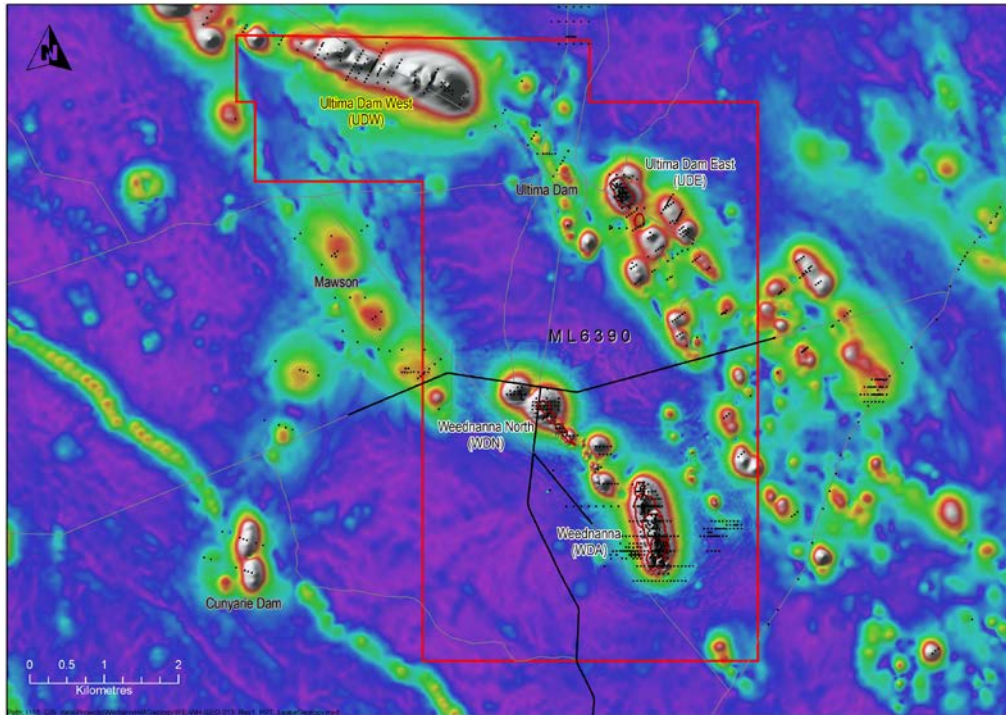


Figure 2: Mining Lease - future magnetite skarn targets (Stage 1 and 2 of project development)

The “Hercules” deposit remains the most attractive ore body within the current Exploration Licences and has the highest potential for significantly increasing IronClads’ resource base. With an Inferred Resource of 194Mt @ 27.1% Fe (representing less than 20% of the strike length tested to date), the future upside in resource/reserve is very promising. The Hercules deposit has near surface massive hematite/goethite, as displayed in Figure 3. Future testwork campaigns will be undertaken to determine the upgradability of this ore by simple beneficiation techniques, to produce a +60% Fe product. Likewise the extent and upgradability of the host magnetite ore beneath the hematite/goethite will be reviewed during the forthcoming drilling program(s).

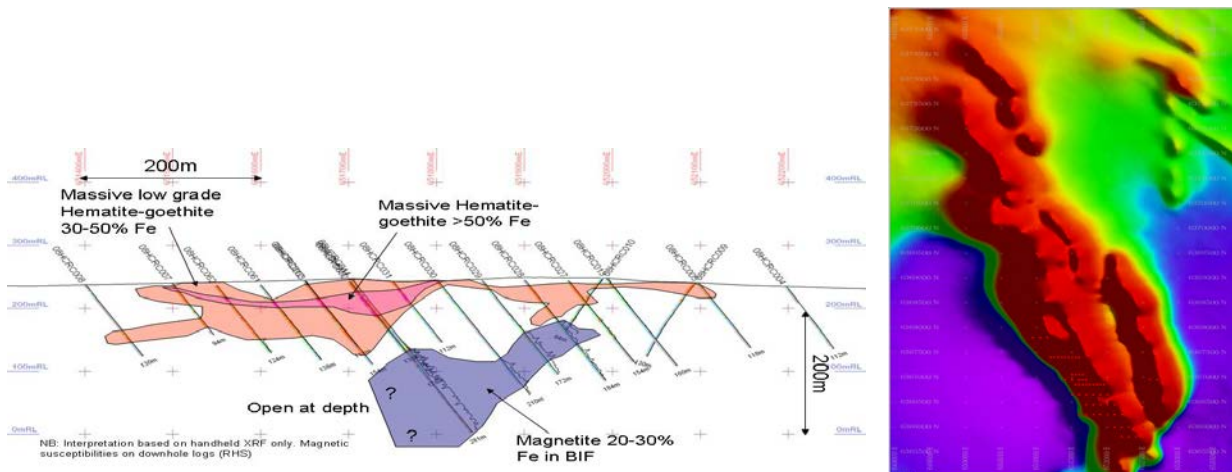


Figure 3: Hercules potential – total magnetic intensity plus cross section

Future Project development work for Hercules will be undertaken in several stages:

- re-evaluation of current data, plan programs, geophysical review;

- diamond drilling to verify structural setting and orientation – 1,000m;
- metallurgical drilling to supply sample for test work – yet to be determined;
- RC infill drilling to convert current JORC resource to reserves (200-400Mt) – 25,000m – 50,000m RC; and
- RC extension drilling to increase current resource beyond 500Mt – 18,000m RC.

Mining and Processing

Extensive work is currently being undertaken with the preferred mining and/or plant operations contractor. Detailed mobilisation, commissioning and ramp-up plans in accordance with the proposed mining sequence and schedules are being developed.

Mobilisation of the mining fleet and commencement of mining (pre-strip) will be scheduled and finalised during the forthcoming quarter, once the port development schedule has been confirmed.

Specialist mining engineers have been engaged to finalise the mining schedule and pit optimisation program, as part of the resource/reserve modelling being undertaken since the completion of the infill drilling.

The 80 person village is ready for occupancy and the contract for catering has been awarded.

Dry Magnetic Separation (“DMS”) Plant

- The final plant layout 3D drawings were presented to IronClad. A DMS plant design review and Hazard and Operability Study (HAZOP) workshop was undertaken during week-ending 13 April. Fabrication of the plant has commenced.
- Manufacturing and factory testing of the Dry Magnetic Separation units by Eriez is expected to be completed by the week ending 27 April.

Gravity Separation (“GS”) Plant

- Battery Limits have submitted a proposal and budget to develop a Request for Tender package for the design and construct contract of the gravity separation plant. The proposal also includes preparation of a major equipment list for IronClad to procure and provide as free issue to the successful tenderer.
- Golder and Associates have also provided a proposal to complete tailings characterisation testwork and site hydrological and geotechnical studies to lead into detailed design.
- First round of GS tailings settling tests were completed by Delkor during the quarter.
- Pilot trials of the Allflux classifier followed by cleaning of the coarse and middle fractions were completed at Nagrom in Perth. The slimes circuit configuration will be finalised based on the results of these tests.

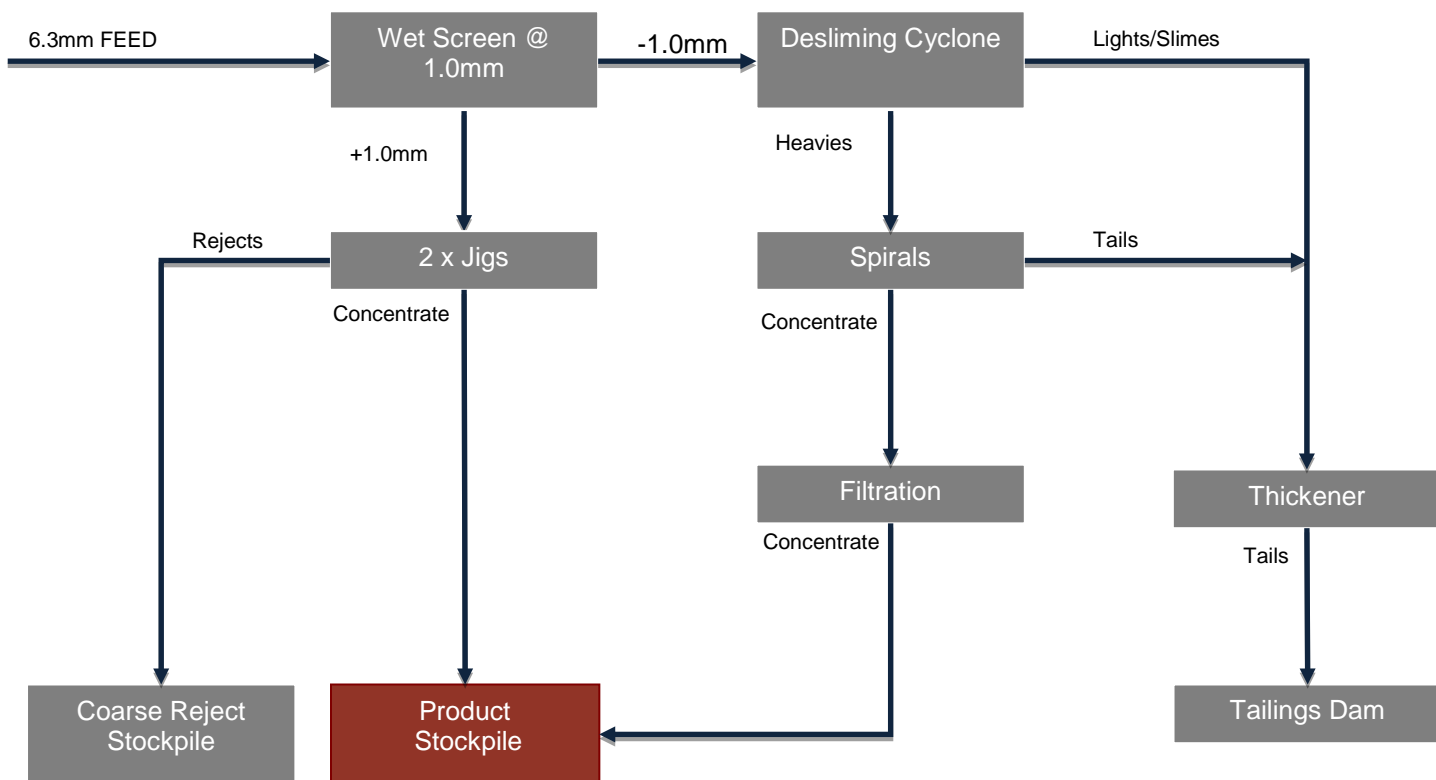


Figure 4: Gravity process flow

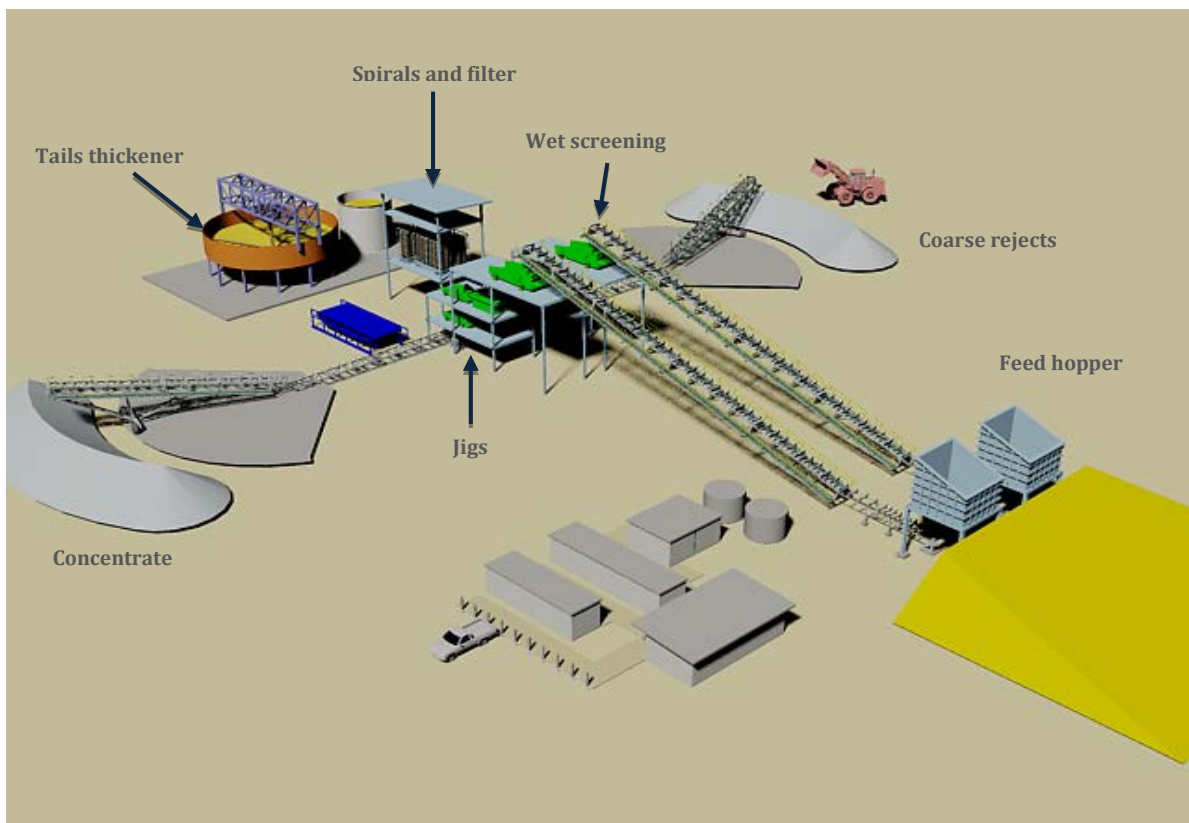


Figure 5: Schematic of gravity separation circuit

Logistics and Infrastructure

Lucky Bay Port Facility

A Tug Vessel – The MV Demi Maddison was purchased on 27 May 2011. The vessel is currently on a hardstand at a Gold Coast shipyard and is ready for immediate dispatch to Lucky Bay.

A quotation was received from Sea Transport Solutions Pty Ltd (“STS”) for the Engineering Procurement and Construction (“EPC”) of a 49m SLV dumb barge vessel for use in Stage 1 and 2 Lucky Bay shipping operations. An EPC contract for the work with STS was signed on 26 October 2011. The barge is being fabricated in Guangzhou, China. A variation has been issued to STS to increase the length of the barge to 57m. A further variation was issued in March to add engines and power the barge.



Figure 6: Rotainer trials in China



Figure 7: Construction of motorised barge

Environmental, noise and community studies carried out at Lucky Bay during 2011 as part of the Development Application for the use of Lucky Bay as a multi user port have resulted in significant harbour works being required to the existing harbour to effect the transshipment of IronClad’s ore. These are an 80m channel extension to the harbour, a loading dock, acoustic mounds and barriers and associated works. All these amendments were submitted in the recent Port Development Application and approved by the South Australian State Government in early April.

The detailed design of the harbour works is being finalised along with the final Scope of Work and tender documents. The tenders are scheduled to be reviewed in early May and the contract awarded by June. The final scope and schedule for the development of the Lucky Bay port will be confirmed at this time and imported into the Master Project Schedule for the Wilcherry Hill Project.



Figure 8: Lucky Bay Port location map

The project development approval concludes all the processes required for IronClad to commence construction of the port infrastructure and permits future iron ore exports via the new facilities at Lucky Bay on the Eyre Peninsula (see Figure 8). Additionally the facility will open up a new multi-user shipping avenue for South Australian exporters.

IronClad will initially use the Lucky Bay facility to tranship iron ore to vessels anchored offshore. IronClad's growth plans could potentially upgrade this system to incorporate the innovative concept of a floating harbour, with suitable holding warehouses for the ore, both on land and at sea. The development of a floating harbour would see Cape-sized vessels with a carrying capacity of up to 150,000 tonnes being loaded offshore of Lucky Bay.

IronClad has an agreement with Sea Transport Development SA Pty Ltd for full access rights to the designated 50-hectare port site at Lucky Bay, where IronClad will store and ship iron ore from its Wilcherry Hill and Hercules Projects. The Company has a 50-year lease right to this facility and the accompanying land within the 50-hectare site.

Transshipment operations are forecast to commence in quarter four of this calendar year, subject to the final port construction contracts being confirmed in May. The first ship will be loaded via transshipment methodology utilising the specific-built, motorised feeder barge that will transport the ore in sealed containers from the port facilities at Lucky Bay to an anchored vessel within the Gulf Peninsula.

Stage 2 of the port development will be designed around a floating harbour concept, designed to store sufficient ore at the port and at sea, to facilitate the efficient and more timely loading of larger ships, as the production profile of the Company increases. The concept of the floating harbour has been detailed in previous ASX announcements on the Project.

MARKETING

The March 2012 daily iron ore spot market price for **62% Fe** fines delivered China Cost and Freight ("C&F") finished the month at **USD148** per tonne compared to **USD143** at the end of February.

Over the past year the spot price for iron ore fines delivered China reached a record high of USD190 per tonne in March 2011 and ranged between USD170 and 180 per tonne until the last quarter 2011. The price retreated in October 2011, dropping to a low of USD118 per tonne.

The price has since recovered somewhat to its present level of USD148 per tonne at the end of March. Industry sources believe that USD120 per tonne (C&F) is the probable lower limit of the iron ore spot price in 2012, with USD150 range the most likely scenario.

The iron ore futures swaps market prices are trending current spot prices with the expected discounts. Currently iron ore swap trades are being fixed at USD137 per tonne delivered China for Q3, CY2012 deliveries.

Discussions are in place with Panamax and small Cape vessel owners on the determination and availability of the optimum vessels for the transshipping of IronClad's ore. It is the intention to sell on C&F basis with IronClad accountable for chartering the vessels.

Current spot price (2 April) for iron ore fines delivered into China were as follows:

- 62% Fe USD148 per metric tonne (“pmt”);
- 61% Fe USD144 pmt;
- 60% Fe USD140 pmt;
- 59% Fe USD136 pmt; and
- 58% Fe USD133 pmt.

For a shipments of 62% Fe fines ex Lucky Bay delivered to a South China port at a selling price of USD148 pmt on a 70kt Panamax vessel at current estimated freight rates of USD21 per tonne, this equates to USD127 per tonne FOB or AUD123 per tonne FOB (at 1.03 exchange rate).

HUMAN RESOURCES AND INVESTOR RELATIONS

Former Brockman Resources Managing Director and BHP-Billiton senior executive, Wayne Richards, was appointed Managing Director of IronClad. Mr Richards joined the Company on 1 March to spearhead development of its Wilcherry Hill iron ore project on South Australia’s Eyre Peninsula. The Company also announced that following Mr Richards' appointment, Mr Finch would assume the role of Non-Executive Chairman.

Mr Robert Mencil, former Mount Gibson Iron Ltd executive, was appointed as Chief Operating Officer commencing within the IronClad team in mid-April and will initially focus on finalising the Business’ Commissioning and Operating Plan to bring the Wilcherry Hill Project into production. Mr Mencil was most recently General Manager of Mount Gibson Iron’s Koolan Island project – a four million tonne per annum (“Mtpa”) iron ore mine off the coast of Western Australia’s Kimberley region. Prior to that, he was Mount Gibson Iron’s General Manager at its Talling Peak hematite project, a 3Mtpa iron ore mine in the Mid-West region of Western Australia.

Additional appointments on the operational side of the project were also made during the quarter. The appointments included Mr Chris Mroczek as Chief Geologist and Mr Daryl Gray as Logistics Manager.

Chris Mroczek (Chief Geologist) - will be responsible for all mine geology at the Wilcherry Hill project, including the vital portfolios of grade control and brownfields exploration. He is an experienced geoscience professional with a wide spectrum of experience in technical mine management, projects, exploration, and resource and reserve assessment with companies including Anglo American, Renison Tin, and Perilya.

Daryl Gray (Logistics Manager) - who will be responsible for IronClad’s export operations at Lucky Bay in South Australia, has an established career in the logistics industry, including managerial positions with Patrick Stevedoring and Toll Stevedoring and more recently Logistics Manager in South Australia for leading Australian ports operator, Flinders Ports.

A new company powerpoint presentation, along with several dual-sided company flyers for the mine and processing, and supply chain logistics, have been prepared for the upcoming South Australian Resources and Energy Investment Conference in May. These documents will be further utilised at the RIU Conference in Sydney and future presentations to domestic/international investors and institutional funds/brokers.

- Ends -

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About the Wilcherry Hill Iron Ore Project

The Wilcherry Hill iron ore project (“the Project”) on South Australia’s Eyre Peninsula is an 80:20 Joint Venture between IronClad Mining Limited (ASX: IFE) and Trafford Resources Limited (ASX: TRF).

The first two years of production from the project has been contracted for sale to international steel mills under comprehensive sales and marketing agreements.

Additionally, 50% of year three and four’s forecast production has been contracted for sale through an off-take agreement with Hong Kong based company New Page Investments Limited.

Stage One of the project involves production of 1Mtpa of Direct Shipping Ore (“DSO”) magnetite, increasing to 2Mtpa in the project’s second year of operation.

Ore will be transported via road from the Project to the Company’s port facilities at Lucky Bay, near Cowell, on South Australia’s Spencer Gulf, before being exported via transhipments to awaiting ships anchored off-shore in the Spencer Gulf.

Stage Two of the Project involves a further increase in production to 4-5Mtpa of iron ore by combining Wilcherry Hill magnetite concentrate with the DSO product.

Stage Three includes the exploration and development of the joint venture’s Hercules Project, 15 kilometres south east of Wilcherry Hill, which has an inferred and indicated JORC classification of 194 Mt, and is expected to increase output from IronClad’s operations to 10-12Mtpa by 2015.

Competent Person Statement

The information in this announcement that relates to geological results and Mineral Resource estimates is based on information compiled by Chris Mroczek, 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 the Chief Geologist of the Company.

Mr Mroczek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 Mroczek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.