31st October 2012

Quarterly Report to 30th September 2012

Highlights

- Encouraging exploration results highlighting DSO potential – Black Hills West and Zealous Prospects
- Wilcherry infill drilling program complete, resource modelling underway
- Continued focus on reducing initial project capital cost
- Progress on variations to current export facility development approvals
- Brokers appointed for sale of barge and tug boats.

Wilcherry Hill Project

Health, Safety, Environment and Community

There were no lost time incidents for the quarter.

Negotiations with the Gawler Ranges Aboriginal Corporation continued in August resulting in the allocation of a survey team and schedule agreement to allow the Cultural Heritage clearance survey to proceed in October, in anticipation of a November drilling program targeting DSO targets over the JV tenements.

Work continued on activities to support the Lucky Bay Common User Export Facility (CUEF) Development Application (DA) variation for Stage 1 approvals covering buffer storage, harbour and transhipment point. IFE is seeking Section 49 support (South Australian Development Act 1993) from the South Australian Minister for Mineral Resources and Energy for changes to Harbour Loading and Buffer Storage activities at Lucky Bay. Confirmation of this support is expected in late October. The variation for the transhipment point relocation was submitted in August and is currently being progressed through the assessment and approvals process.

Resource and Geology

Based on the drilling completed in the previous quarter, Mineral Resource updates have been carried out for the principal deposits Weednanna (WDA), Weednanna North (WDN) and Ultima Dam East (UDE). The re-estimated Mineral Resource for the three deposits at Wilcherry Hill is outlined below and is quoted at a cut-off of 0% Fe. Runge Limited provided the competent person review and JORC sign off. The consent form is attached as an appendix to this report.

Table 0:1 Summary of Wilcherry Hill (WH) Mineral Resource May 2012

Domain	Classification	Tonnes (M)	Fe%	Al_2O_3%	SiO_2%	S%	P%	LOI%	SG
WDA	MEASURED	0.16	58.69	3.48	8.35	0.04	0.02	2.21	3.79
	INDICATED	12.00	39.82	4.96	19.32	0.53	0.02	5.02	3.40
	INFERRED	1.07	48.65	4.05	12.90	0.19	0.02	2.63	3.92
	TOTAL	**13.23**	**40.77**	**4.87**	**18.66**	**0.49**	**0.02**	**4.79**	**3.45**
WDN	INDICATED	7.97	37.34	6.92	20.72	0.32	0.04	6.32	3.32
	INFERRED	1.64	34.18	4.97	22.11	0.15	0.03	6.84	3.38
	TOTAL	**9.61**	**36.8**	**6.59**	**20.96**	**0.29**	**0.04**	**6.41**	**3.33**
UDE	INDICATED	5.37	38.19	7.74	21.33	0.11	0.13	9.46	2.46
	INFERRED	0.57	35.22	6.22	24.67	0.24	0.08	6.12	2.86
	TOTAL	**5.94**	**37.91**	**7.6**	**21.65**	**0.12**	**0.13**	**9.14**	**2.5**
WH	MEASURED	0.16	58.69	3.48	8.35	0.04	0.02	2.21	3.79
	INDICATED	25.34	38.69	6.17	20.19	0.37	0.05	6.37	3.18
	INFERRED	3.28	39.08	4.89	19.55	0.18	0.04	5.34	3.47
	GRAND TOTAL	**28.78**	**38.85**	**6.00**	**20.05**	**0.35**	**0.05**	**6.23**	**3.21**

Additional detail on the Mineral Resource estimation process and reconciliation with the 2011 Mineral Resource is available from the IronClad 2012 Annual Report.

In support of Stage One mining and shipping of Direct Shipping Ore (DSO) at Wilcherry Hill a follow-up phase of infill drilling at the three deposits was largely completed by the end of the quarter. This drilling was aimed at delineating the high grade (+60%) DSO zones within the existing Resource. Subsequent to the end of the quarter the program was completed for a total of 5,848m.

A Resource update and Reserve estimate will be compiled by the end of the December quarter.

Exploration Activities

A significant number of exploration activities were undertaken during the September quarter to further the Company's goal of identifying additional high grade iron resources as potential direct shipping ore (DSO).

Hercules - Exploration for near surface goethite / hematite DSO

At the start of the quarter an infill 62m x 125m spaced gravity survey was completed over the prospective Banded Iron Formation stratigraphy. Subsequent geophysical modelling of the data by IronClad consultants has identified extensive anomalous gravity zones. A series (287) of gravity bodies have been modelled of which 60 – 70 are within 150m of surface and regarded as prospective non-magnetic iron rich targets. This data has provided basis for drill hole planning as an adjunct to the existing geology and magnetic data.

A drilling program of up to 2,500m of reverse circulation drilling is proposed at the Hercules Prospect and is planned to commence in the December quarter. With a strike length of 7km of prospective stratigraphy the program will test for extensions to the known near surface goethite and hematite mineralisation that forms part of the Inferred Mineral Resource (194Mt @ 27.1% Fe – ASX Release 22nd December 2008).

Iron Prospects on Joint Venture Tenements - Exploration for near surface goethite / hematite DSO.

A desktop study of the tenement package held by IronClad Mining Limited in joint venture with Trafford Resources was conducted to identify potential iron rich target areas utilising all existing surface geochemistry and geochemistry from the upper 12 metres of drill holes contained in the Company's drill hole database. This information was then combined with historical exploration samples and observations utilising Google Earth satellite imagery and also a detailed regolith examination of the area to determine potential prospect areas for field follow-up.

A total of 30 potential sites were identified from this process. A field trip was completed and sites were evaluated by extensive traversing and collection of representative samples of Fe-rich lithotypes. Fieldwork assessing these will continue into the next quarter.

Two of the sites, Zealous and Black Hill West, have been selected for more detailed evaluation next quarter. Surface rock chip samples from these sites are highly encouraging with the majority returning values in excess of 60% Fe (Table 1). These prospects, while not new to the IronClad / Trafford JV, are now ready for evaluation as part of the search for near surface, low strip ratio, high grade iron mineralisation to complement the planned Wilcherry Hill Stage 1 DSO mining operation.

Both are compelling targets, though target size at this stage is considered to be modest (<0.5Mt). With significant surficial hematite in outcrop supported by high Fe assays they appear to provide the best immediate potential for additional DSO.

Reverse circulation drilling programs of up to 1,000m are planned at each prospect.

PROJECT AREA	COORDINATE SYSTEM	NORTHING	EASTING	SAMPLE_TYPE	Fe %
Black Hill West	MGA94_53	6378898	602838	Surface float	67.97
Black Hill West	MGA94_53	6379044	602875	Rock Chip - outcrop	65.89
Black Hill West	MGA94_53	6379159	602713	Rock Chip - outcrop	66.06
Zealous	MGA94_53	6386068	642605	Rock Chip - outcrop	60.60
Zealous	MGA94_53	6386102	642613	Rock Chip - outcrop	56.30
Zealous	MGA94_53	6386102	642583	Rock Chip - outcrop	60.30
Zealous	MGA94_53	6386127	642584	Rock Chip - outcrop	60.60

Table 1*: Surface sample location and Fe assay result (XRF) from Black Hills West and Zealous Prospects*

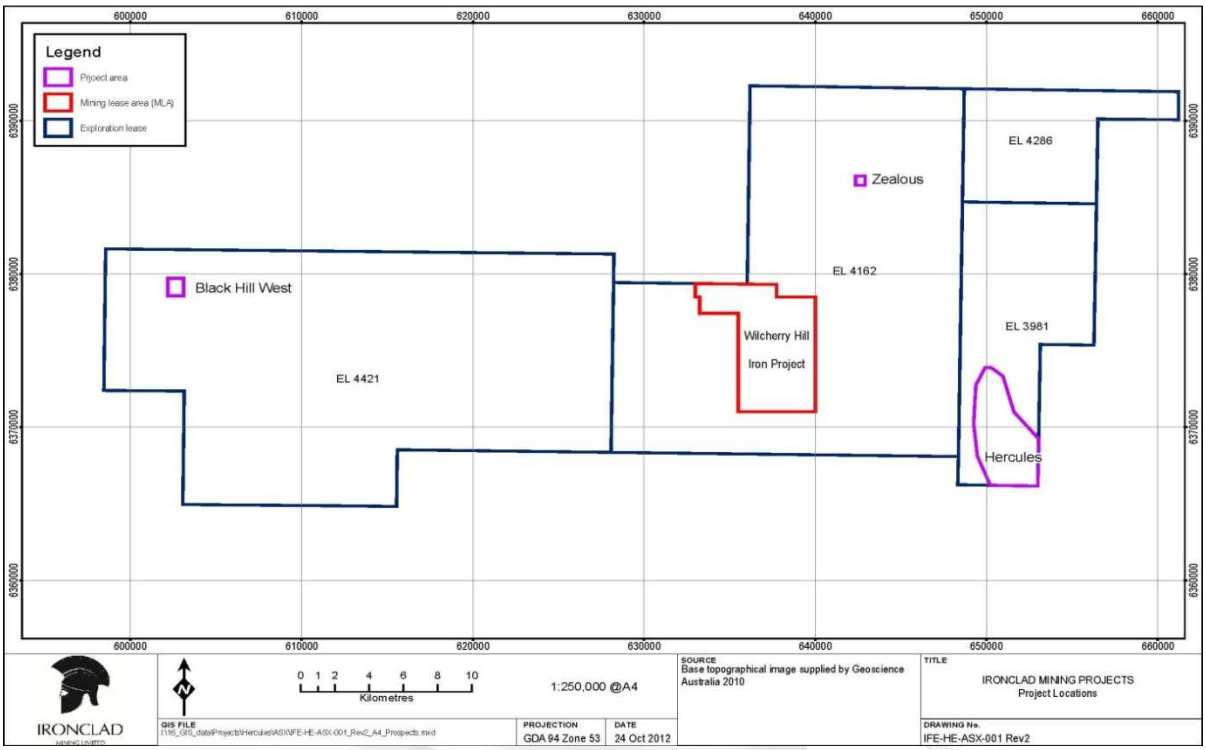

Figure 1: *Location of Zealous and Black Hills West*

Mining

Mining Plus Consultants were engaged to complete the Wilcherry Hill Mining Study – JORC Reserve estimate and carry out the geotechnical review of the mine design parameters developed by Mining One in 2010 and 2011.

The detailed scope of work for capital road works is being revisited by IronClad in an attempt to reduce the extent of the upgrades based on the use of double road trains in the short and medium terms and not triples.

Processing

Tailings characterisation testing is nearing completion at the Golder laboratory in Perth

Golder made steady progress on design of the Tailings Storage Facility (TSF). Laboratory analysis of soil samples collected from site geotechnical test pits has been completed. A preliminary design for dam geometry has been produced based on a 500m diameter circular dam embedded in the Weednanna waste dump.

MSP Engineering issued its final report on the design development of a combined DMS / GS plant.

Logistics and Infrastructure
Lucky Bay Port Facility

Development of the operations methodology for the Lucky Bay port and trans-shipping has been completed. Quotations for vessels and equipment have been obtained considering both purchasing and lease options.
Proposals were accepted from Galbraiths in Singapore to handle the barge sale and Independent Shipbrokers in Sydney for the Demi Maddison tug sale.

Marketing

The September 2012 daily iron ore spot market price for 62% Fe fines delivered China (C&F) finished the month at USD106 per tonne, a 19% increase compared to USD89 at the end of August. The price touched USD110 per tonne briefly during the month before slipping back to its current level. The spot price has been falling since its peak of USD148 in April this year.

Trades in the iron ore futures swaps market reflect the view that prices will continue to move up over the coming months. Swaps are currently being fixed at USD113 per tonne delivered China for Q113 deliveries.

Subsequent Events

On 10 October the District Council of Franklin Harbour resolved not to object to the State sponsoring the amended Development Application for a Common User Export Facility at Lucky Bay in accordance with Section 49 of the Development Act, 1993.

On 13 October Aboriginal Heritage Surveys of Black Hills West, Zealous and Hercules exploration areas were completed.

Contact

IronClad Mining
Ian Finch
Executive Chairman
P +61 8 9485 1040

Media
Sean Whittington
Field Public Relations
P +61 8 8234 9555 or 0412 591 520

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).

50% of the first four years of production from the project has been contracted under comprehensive sales and marketing agreements.

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 year 5 of the operation.

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 appear