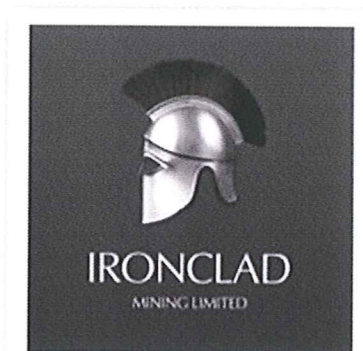


IronClad Mining Limited

ABN 79 124 990 405



And Controlled Entities

Interim Financial Report
For the half-year ended
31 December 2011

CORPORATE DIRECTORY**NON-EXECUTIVE CHAIRMAN**

Ian D. Finch

EXECUTIVE DIRECTOR

Wayne Richards

NON-EXECUTIVE DIRECTORS

Neil W. McKay

Peter W. Rowe

COMPANY SECRETARY

Neil W. McKay

REGISTERED OFFICE

Level 2, 679 Murray Street

West Perth, WA 6005

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Level 1, 12 Kings Park Road

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Telephone: +61 (08) 9321 0200

Facsimile: +61 (08) 9321 0277

SHARE REGISTRAR

Advanced Share Registry Ltd

150 Stirling Highway

Nedlands, WA 6009

Telephone: +61 (08) 9389 8033

Facsimile: +61 (08) 9389 7871

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: IFE

BANKERS

Westpac Banking Corporation

Murray Street

West Perth, WA 6005



IRONCLAD
MINING LIMITED

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DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2011.

Directors

The names of the Company's Directors who held office since the start of the financial period to the date of this report are:

Mr. Ian Finch

Mr. Neil McKay

Mr. Peter Rowe

Subsequent to the end of the financial period, the Company appointed the following as its Director:

Mr. Wayne Richards (Appointed 1st March 2012)

Dividends

No dividends were paid or declared during the half year or in the period to the date of this report.

Principal Activities

The principal activities of the Group during the course of the half-year were mineral exploration and project development. There has been no change in these activities during the financial period.

Review of Operations

Overview

IronClad Mining Limited ("IronClad") has been engaged primarily in exploration and project development activities on its Wilcherry Hill Iron Project in the northern Eyre Peninsula of South Australia over the past six months.

Highlights of the reported progress include:

- **Approval of Mining Lease Proposal and Mining Lease Offer.**
- **Approval of the Program for Environmental Protection and Rehabilitation (PEPR).**
- **Securing port access at Lucky Bay.**
- **Completion of tug boat refurbishment and barge construction started.**
- **Construction of the accommodation village completed.**

Approvals

Ironclad Mining took a significant step forward in October 2011 following the South Australian Government's approval of the Mining Lease Proposal (MLP) for its Wilcherry Hill Iron Project in South Australia. The MLP was prepared in conjunction with Coffey Environments over a two-year period and submitted to the SA Government in 1st Quarter 2011. Following a period of public consultation and technical assessment a mining lease was offered to the Company on 17 October 2011.

The MLP was the first step in a two-step approval process, the second step being the submission and approval of the Program for Environmental Protection and Rehabilitation (PEPR). This PEPR was submitted to the SA Government on schedule at the end of October 2011, and approved on the 23rd of December 2011. The approval of the PEPR marks the successful end of the State approvals process and is a historic event for the Company as it transforms itself from a small Australian exploration company into a global mining company.

DIRECTORS' REPORT

Project Progress

The announcement of MLP and PEPR approvals now paves the way for construction of infrastructure at the mine. The company in anticipation of a construction start in early 2012 has been preparing all contracts ready for signing. These include the mining contract, the processing contract and the ore transportation contract.

The Company whilst waiting for the government approval, has progressed other critical elements of the project. These include securing its port option at Lucky Bay, refurbishing the tug boat to ensure its readiness for transshipping operations, starting construction of the barge in China, and completing the construction of an 80-person accommodation village in Kimba.

The Company exercised the option it held with Sea Transport Development SA Pty Ltd over the port facilities at Lucky Bay in South Australia in August 2011. The exercise of the option gives the Company full access to a designated 50 hectare site, with harbour frontage and full usage of the port itself. This paves the way for a two stage transshipping operation due to commence in 2012.



Figure 1: Existing Lucky Bay facility.

The Stage 1 operations will see IronClad's iron ore concentrate transported by road from Wilcherry Hill in customised containers to its harbour side facility at Lucky Bay. The Company's transshipping operation using a tug boat and barge will then take freight containers of ore to the transshipment point some 10 km offshore where they will be unloaded into the hold of the transport vessel. To achieve this, a tug boat was purchased earlier this year, successfully refitted and sea trialled. The barge is currently under construction in China and is on target to be completed on schedule within the 1st quarter of 2012, ready for 1st shipment in the second quarter of 2012.

DIRECTORS' REPORT



Figure 2: Tug boat purchased, undergoing refurbishment.

The construction of the accommodation village located in Kimba was completed on schedule and on budget in December 2011. This second stage takes the facility from a 40-person to an 80-person camp. The facility now includes en-suite accommodation, mess and recreation facilities, as well as access to satellite television and broadband internet for all village residents. The expansion has been timed to coincide with the influx of construction workers for a construction start in the New Year.



Figure 3: Accommodation village located in Kimba.

DIRECTORS' REPORT

Corporate

In July 2011, 3,000,000 unlisted options in the Company exercisable at \$3.00 lapsed. During the period, the Company issued 400,000 options exercisable on or before 31 October 2012 at \$0.75.

Operating Results

The Group's loss for the six month period after providing for income tax amounted to \$1,247,761 (2010: \$608,603).

Significant Changes in State of Affairs

In the opinion of the Directors there are no significant changes in the state of affairs of the Group that occurred during the half year period under review not already disclosed in this report, the financial statements or notes attached thereto.

Significant Events After Balance Date

In January 2012, the Company raised \$6 million upon the successful placement of 7,500,000 ordinary shares with Hong Kong based investor, New Page Investments Limited, at an agreed price of \$0.80 per share. Subsequent to the placement, The Wilcherry Hill Iron Ore Joint Venture, in which the Company has an 80% interest, entered into an additional off-take agreement for 50% of all iron ore produced in the first four years of operations.

In February 2012, the Company raised a further \$3 million via the placement of 3,500,059 ordinary shares at \$0.85 per share. The proceeds, together with the funds at hand, will be used to pay a \$5.8 million environmental bond to the South Australian Government for its Wilcherry Hill Iron Ore Project.

On 1 March 2012, Mr. Wayne Richards, former Brockman Resources Managing Director and BHP-Billiton senior executive, was appointed Managing Director of the Company. Mr. Ian Finch has since assumed the role of Non-Executive Chairman.

On 6 March 2012 the Company also announced an additional \$4 million raised via the placement of 4,706,000 ordinary shares at \$0.85 per share. The proceeds will be used to accelerate the Wilcherry Hill Iron Ore Project's start-up works.

In the opinion of the Directors there are no other significant changes in the events after balance date of the Group that occurred and have not already been disclosed in this report.

Competent Persons Statement

The information in the Directors Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ian D. Finch, who is the Executive Chairman of IronClad Mining Limited and 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.

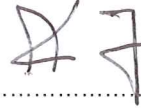
Mr. Finch has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Finch consents to the inclusion in the Directors Report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 8 of the Financial Report for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.



Director and Joint Company Secretary.....

Mr. Neil W. McKay

Dated this 6th Day of March 2012



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(WA) Pty Ltd**

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Australia

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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 review of the financial report of Ironclad Mining Limited and Controlled Entities for the half-year ended 31 December 2011 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 review;
- no contraventions of the *Code of Professional Conduct* of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully

BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 6th day of March 2012



A member of Bentleys, an association of independent accounting firms in Australia. The member firms of the Bentleys association are affiliated only and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 December 2011	31 December 2010
	\$	\$
Revenue	117,635	75,053
Administration expense	(54,202)	(22,021)
Consultancy expenses	(517,901)	(94,045)
Compliance & regulatory expenses	(37,223)	(36,684)
Director fees	(46,018)	(46,018)
Depreciation and amortisation expense	-	(41,385)
Finance costs	(4,787)	(66,143)
Legal fees	(51,511)	(11,450)
Occupancy costs	(57,511)	(52,257)
Share based payment income / (expense)	(51,995)	305,632
Public relations cost	(83,212)	(120,748)
Staff costs expenses	(348,855)	(416,778)
Other expenses from ordinary activities	(112,181)	(81,759)
	<hr/>	<hr/>
Loss before income tax expense	(1,247,761)	(608,603)
Income tax expense	-	-
	<hr/>	<hr/>
Net Loss for the period	(1,247,761)	(608,603)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total Comprehensive income for the period	(1,247,761)	(608,603)
	<hr/> <hr/>	<hr/> <hr/>
Basic loss per share (cents per share)	(1.65)	(1.18)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents	2	48,833	10,042,567
Trade and other receivables		210,832	1,256,353
TOTAL CURRENT ASSETS		259,665	11,298,920
NON-CURRENT ASSETS			
Trade and other receivables		51,399	65,189
Property, plant and equipment	3	8,423,320	2,940,003
Exploration and evaluation expenditure		14,249,280	14,206,234
Mine development expenditure		22,156,343	16,800,040
TOTAL NON-CURRENT ASSETS		44,880,342	34,011,466
TOTAL ASSETS		45,140,007	45,310,386
CURRENT LIABILITIES			
Trade and other payables		2,687,753	2,635,300
Borrowings		953,849	-
Provisions		103,162	67,318
TOTAL CURRENT LIABILITIES		3,744,764	2,702,618
TOTAL LIABILITIES		3,744,764	2,702,618
NET ASSETS		41,395,243	42,607,768
EQUITY			
Issued capital	5	45,190,904	45,207,663
Option Reserves		2,798,525	2,746,530
Accumulated Losses		(6,594,186)	(5,346,425)
TOTAL ENTITY INTEREST		41,395,243	42,607,768

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Issued Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2011	45,207,663	(5,346,425)	2,746,530	42,607,768
Loss for the period	-	(1,247,761)	-	(1,247,761)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(1,247,761)	-	(1,247,761)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>				
Options issued during the period	-	-	51,995	51,995
Shares issued during the period	-	-	-	-
Transaction costs	(16,759)	-	-	(16,759)
Balance at 31 December 2011	45,190,904	(6,594,186)	2,798,525	41,395,243
Balance at 1 July 2010	21,821,347	(4,775,286)	2,804,482	19,850,543
Loss for the period	-	(608,603)	-	(608,603)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(608,603)	-	(608,603)
<i>Transaction with owners, in the capacity as owners, and other transfers</i>				
Forfeited options of directors and employees	-	-	(305,632)	(305,632)
Shares issued during the period	13,378,161	-	-	13,378,161
Transaction costs	(388,396)	-	-	(388,396)
Balance at 31 December 2010	34,811,112	(5,383,889)	2,498,850	31,926,073

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 December 2011	31 December 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,174,557)	(921,775)
Payments for exploration and evaluation activity	(43,046)	(4,677,180)
Interest received	196,399	75,152
Interest and other charges paid	(911)	(61,688)
Research and development rebate and other income	700,538	188,074
Net cash used in operating activities	<u>(321,577)</u>	<u>(5,397,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,399,075)	(20,253)
Development of mineral tenements	(5,257,934)	-
Net cash used in investing activities	<u>(10,657,009)</u>	<u>(20,253)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	1,010,458	(1,851,974)
Loan from other entity	-	61,035
Proceeds from issue of shares	-	13,378,161
Fundraising costs	(25,577)	(421,935)
Net cash provided by (used in) financing activities	<u>984,881</u>	<u>11,165,287</u>
Net increase (decrease) in cash held	(9,993,705)	5,747,617
Cash and cash equivalents at 1 July	10,042,567	392,001
Effects of exchange rates on cash holdings in foreign currencies	(29)	(61)
Closing Cash and Cash Equivalents	<u>48,833</u>	<u>6,139,557</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards; including standard AASB 134: Interim Financial Reporting.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The Half-Year Financial Statements do not include all notes of the type normally included within an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

It is recommended that the Half-Year Financial Statements be read in conjunction with the Annual Financial Report for the year ended 30 June 2011 and considered together with any public announcements made by IronClad Mining Limited during the half-year ended 31 December 2011 in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Group and are consistent as those adopted in the most recent annual financial report.

Changes in Accounting Policies and Disclosures

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has elected to retain reconciliations within the Consolidated Statement of Changes in Equity as previously disclosed.

Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

Whilst the Group has achieved exploration success with its mineral projects, the Directors recognise that the Group will have to seek additional funding in order to continue to exploit and develop its mineral assets.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon successfully raising additional funds and ultimately developing or selling its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have an appropriate plan to raise additional funds as and when they are required. In light of the Group's current exploration and project development, the Directors believe that the additional capital required can be raised in the market; and

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 1: BASIS OF PREPARATION

- The Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

Should the Group not achieve the matters set out above, there is uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

	31 December 2011	30 June 2011
	\$	\$

NOTE 2: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	14,950	10,956
Short-term bank deposits	33,883	10,031,611
	48,833	10,042,567

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

NOTE 3: PROPERTY, PLANT AND EQUIPMENT
PLANT AND EQUIPMENT

At cost	621,993	488,602
Accumulated depreciation	(364,214)	(307,095)
	257,779	181,507

(a) Reconciliation

Carrying amount at beginning of period	181,507	170,513
Additions: Equipment	133,391	89,826
Depreciation expense	(57,119)	(78,832)
Carrying amount at end of period	257,779	181,507

UNDER CONSTRUCTION

At cost	8,165,541	2,758,496
Accumulated depreciation	-	-
	8,165,541	2,758,496

(b) Reconciliation

Carrying amount at beginning of period	2,758,496	-
<i>Additions:</i>		
Vessels at cost	1,945,979	1,162,079
Residential camp at cost	3,461,066	1,596,417
Depreciation expense	-	-
Carrying amount at end of period	8,165,541	2,758,496

Total Property Plant and Equipment	8,423,320	2,940,003
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There is no plant and equipment of the Group that has been pledged as collateral.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 4: OPERATING SEGMENTS**Segment Information****Identification of reportable segments**

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

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 Group.

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.

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.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 4: OPERATING SEGMENTS (CONT'D)

	Wilcherry Joint Venture	Coastal Shipping Logistics P/L	Total \$
	\$	\$	
(i) Segment performance			
Period ended			
31 December 2011			
Segment revenue	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>			
Interest revenue			117,635
Total revenue			<u>117,635</u>
Segment result	-	(95)	(95)
<i>Reconciliation of segment result to Group's net loss before tax</i>			
<i>Unallocated items:</i>			
Corporate Charges			(1,195,671)
Option issue expense			(51,995)
Net loss before income tax			<u>(1,247,761)</u>
Period ended			
31 December 2010			
Segment revenue	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>			
Interest revenue			75,053
Total revenue			<u>75,053</u>
Segment result	-	-	-
<i>Reconciliation of segment result to Group's net loss before tax</i>			
<i>Unallocated items:</i>			
Corporate Charges			(872,850)
Depreciation			(41,385)
Option issue forfeited			305,632
Net loss before income tax			<u>(608,603)</u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 4: OPERATING SEGMENTS (CONT'D)

(ii) Segment assets	Wilcherry Joint Venture \$	Coastal Shipping Logistics P/L \$	Total \$
Period ended 31 December 2011			
Segment assets	41,478,106	3,108,058	44,586,164
<i>Reconciliation of segment result to Group's assets</i>			
<i>Unallocated items:</i>			
Cash and cash equivalents			48,833
Trade and other receivables			247,230
Property, plant and equipment			257,780
Total assets			45,140,007
Additions to segment assets for the period:			
Exploration expenditure	43,046	-	43,046
Development Expenditure	5,356,303	-	5,356,303
Capital Expenditure	3,461,067	1,945,979	5,407,046
Total additions to segment assets	8,860,416	1,945,979	10,806,395
Period ended 30 June 2011			
Segment Assets	32,617,690	1,162,079	33,779,769
<i>Reconciliation of segment result to Group's assets</i>			
<i>Unallocated items:</i>			
Cash and cash equivalents			10,042,567
Trade and other receivables			1,306,543
Property, plant and equipment			181,507
Total assets			45,310,386
Additions to segment assets for the period:			
Exploration expenditure	9,500	-	9,500
Development Expenditure	8,690,278	-	8,690,278
Capital Expenditure	1,596,416	1,162,079	2,758,495
Total additions to segment assets	10,296,194	1,162,079	11,458,273

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 5: ISSUED CAPITAL

	No of shares	Total \$
a. Movement in fully paid ordinary shares on issue:		
Balance at 1 July 2010	43,864,034	21,821,347
Shares issued during the year	-	-
— Rights Issue 8,772,807 shares @ \$0.85	8,772,807	7,456,886
— Rights Issue 23,028,002 shares @ \$0.75	23,028,002	17,271,002
— Exercise of 5,521 options at \$0.75	5,521	4,141
Transaction cost relating to share issues		(1,345,713)
Balance at 30 June 2011	<u>75,670,364</u>	<u>45,207,663</u>
Balance at 1 July 2011	75,670,364	45,207,663
Shares issued during the period	-	-
Transaction cost relating to share issues		(16,759)
Balance at 31 December 2011	<u>75,670,364</u>	<u>45,190,904</u>

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

In January 2012, the Company raised \$6 million upon the successful placement of 7,500,000 ordinary shares with Hong Kong based investor, New Page Investments Limited, at an agreed price of \$0.80 per share. Subsequent to the placement, The Wilcherry Hill Iron Ore Joint Venture, in which the Company has an 80% interest, entered into an additional off-take agreement for 50% of all iron ore produced in the first four years of operations.

In February 2012, the Company raised a further \$3 million via the placement of 3,500,059 ordinary shares at \$0.85 per share. The proceeds, together with the funds at hand, will be used to pay a \$5.8 million environmental bond to the South Australian Government for its Wilcherry Hill Iron Ore Project.

On 1 March 2012, Mr. Wayne Richards, former Brockman Resources Managing Director and BHP-Billiton senior executive, was appointed Managing Director of the Company. Mr. Ian Finch has since assumed the role of Non-Executive Chairman.

On 6 March 2012 the Company also announced an additional \$4 million raised via the placement of 4,706,000 ordinary shares at \$0.85 per share. The proceeds will be used to accelerate the Wilcherry Hill Iron Ore Project's start-up works.

NOTE 8: DIVIDEND

No Dividend has been paid during or recommended for the half year ended 31 December 2011.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 9: COMMITMENTS

Tenement Commitments

In order to maintain current rights of tenure to mining tenements, the Group 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 consolidated financial statements and are payable:

	31 December 2011	30 June 2011
Not longer than one year	695,000	695,000
Longer than one year, but not longer than five years	3,985,000	3,985,000
Longer than five years	-	-
	4,680,000	4,680,000
<i>Lease Commitments</i>		
Not longer than one year	561,522	437,667
Longer than one year, but not longer than five years	1,352,653	1,448,660
Longer than five years	150,000	300,000
	2,064,175	2,186,327
<i>Capital Commitments</i>		
Not longer than one year	3,021,930	4,353,884
	3,021,930	4,353,884

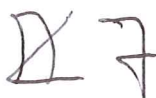
If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will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

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 19:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. 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.



Mr. Neil W. McKay

Dated this 6th day of March 2012



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Independent Auditor's Review Report

To the Members of Ironclad Mining Limited

We have reviewed the accompanying half-year financial report of Ironclad Mining Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ironclad Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Independent Auditor's Review Report
To the Members of Ironclad Mining Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ironclad Mining Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 6th day of March 2012