



TRAFFORD
RESOURCES LIMITED

ASX Announcement

26th March 2012

Trafford Enters into Iron Ore Agreement with Independence Group

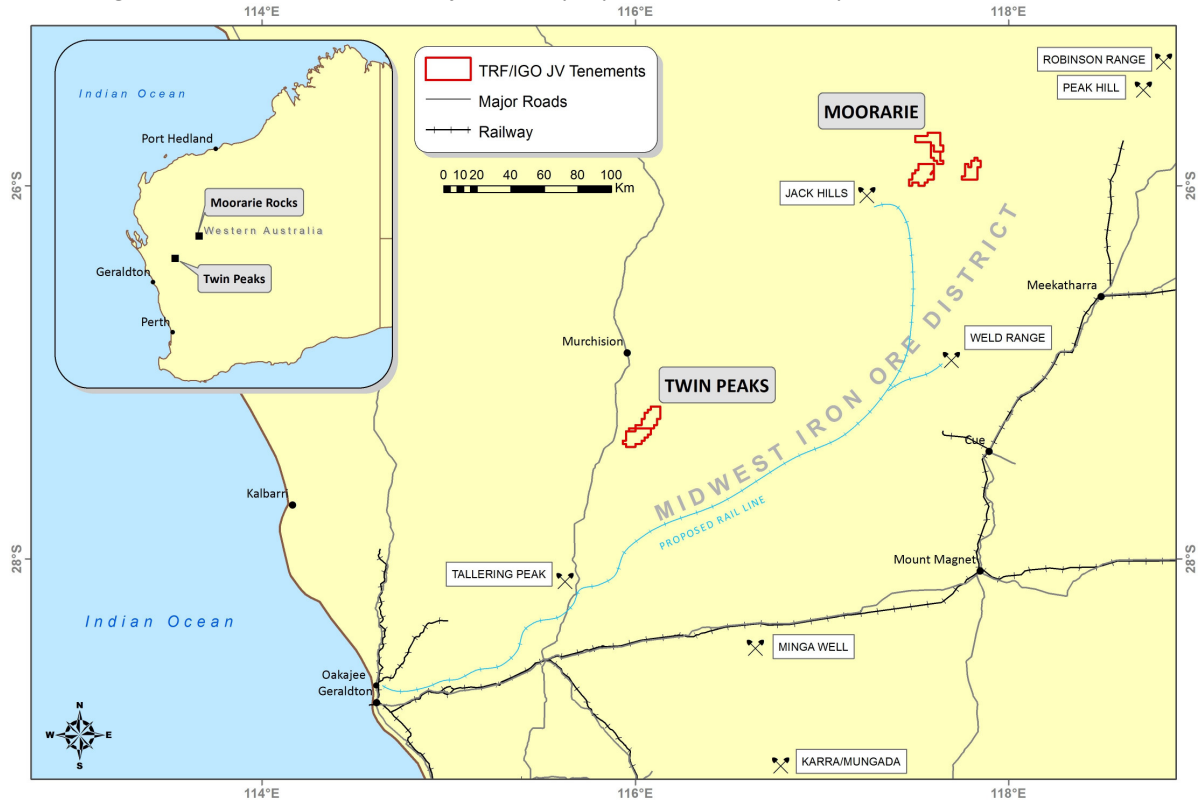
- **Tenements Cover 20km of Highly Prospective Iron Formation.**
- **Close to Proposed Infrastructure.**
- **Trafford Can Earn up to 80% of Iron Ore Rights.**
- **Reconnaissance Sampling Returned 67.7% Iron (Fe) from massive hematite outcrop.**

Trafford Resources Limited (ASX:TRF) is pleased to announce it has signed a letter agreement with Independence Group NL (ASX:IGO) whereby Trafford can enter into a Joint Venture for the iron ore rights of two Mid-West iron ore projects northwest of Geraldton (Figure 1), Twin Peaks and Moorarie.

Twin Peaks project covers over 20km of a highly prospective, north-south striking, Banded Iron Formation (BIF) belt. These BIF units throughout the Mid-West contain iron ore deposits such as Jack Hills, Weld Range and Tallering Peaks (Figure 1). No drilling for iron ore has been undertaken on the Twin Peaks tenements and only minimal drilling targeting iron ore has been completed on the Moorarie tenements. However, recent exploration programmes of aeromagnetics, ground gravity and rock chip sampling have been completed over the entire belt identifying large Direct Shipping Ore (DSO) potential.

The Moorarie Iron Ore Project is approximately 40km northeast of the Jack Hills Iron Ore mine and infrastructure, currently being developed by Mitsubishi Corporation.

Figure 1: Midwest Iron Ore Projects and proposed Trafford/Independence JV tenements



As part of Trafford's due diligence process, a massive hematite outcrop was located (Figure 2) at the Woolbung Well prospect, located within the Twin Peaks project. Assays of grab samples returned up to 67.7% iron (Fe), with low impurities.

Trafford intends to identify all iron targets within the tenements and and prioritise the Direct Shipping Ore (DSO) targets for drilling later this year.

Figure 2: Outcropping massive hematite at the Woolbung Well prospect



Trafford may earn up to 80% of the iron ore rights in the project through milestone exploration expenditure:

A summary of the terms of the agreement are as follows:

1. Trafford to complete 5000m of drilling within 12 months;
2. Trafford may earn 51% of the iron ore rights by spending A\$2Million over two years (inclusive of the 5000m of committed drilling in year one);
3. Trafford may earn an additional 29% in the project by spending a further A\$3Million over an additional 3 years;
4. Upon Trafford earning 80%, Independence will have the option to contribute to the Joint Venture or convert its remaining 20% equity to a 1.5% gross revenue royalty on all iron ore produced from the JV projects;
5. Trafford will manage the Joint Venture.

A Joint Venture document will be drawn up and signed by both parties in the coming weeks.

Trafford directors wish to thank the Independence directors for their constructive approach to this significant venture. Trafford are pleased to play a leading role in the development and definition of a new major Direct Shipping Ore deposit in this exciting Iron Ore District.

For further information, please visit www.traffordresources.com , or contact

Ian D. Finch

Managing Director, Trafford Resources Limited
(08) 9485 1040

Disclosure statement

Competent person statement:

The information in this announcement that relates to Exploration 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. Mr. Finch is the Managing Director 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.