



ASX CODE: IFE

DIRECTORS

Robert Mencil
Managing Director

Ian Finch
Executive Chairman

Neil McKay
*Company Secretary and
Non-Executive Director*

Peter Rowe
Non-Executive Director

SHARE REGISTRY

**Advanced Share Registry
Services**

150 Stirling Highway
Nedlands WA 6009
T: +61 8 9389 8033
F: +61 8 9389 7871

REGISTERED OFFICE

Level 2 679 Murray Street
West Perth WA 6005
P: +61 8 9485 1040
F: +61 8 9485 1050

PRINCIPAL OFFICE

307 Pulteney Street
Adelaide SA 5000
P: +61 8 8224 0411
F: +61 8 8227 0411

31 October, 2013

Quarterly Report 30 September 2013

During the quarter, Ironclad Mining Limited continued the development of its Wilcherry Hill Iron Ore Project. The Company's number one priority remains the outstanding approval of its proposed Lucky Bay Common User Facility (CUEF).

Wilcherry Hill Project

Government Approvals

Lucky Bay Common User Facility Development Application

At the end of the June Quarter IronClad reported progress with the Development Application (DA) for the CUEF up to and including the closure of the public notification period on 11 July. Subsequent events discussion in the June report noted that three public submissions were received and that two of these submissions requested a formal hearing from the Development Assessment Commission (DAC). There were also submissions made by South Australian Government agencies that required a response prior to any hearing.

Public submissions received were in relation to a number of nationally listed faunal species. Other submissions requested explanation regarding the operation and resulting impacts from product transport and the use of shallow draught barges.

Some South Australian Government Agencies requested further information on aspects of proposed operations while others recommended additional conditions that would be required to be met if the project was approved. The Environmental Protection Authority (EPA) response was disappointing and responsible for a number of subsequent delays in the DA approvals process. The EPA gave positive consideration to air quality (dust), storm water and marine impact outcomes after consideration of considerable expert information provided, but resolved to apply severe night time target noise levels for the harbour loading activity. The EPA also requested further noise modeling and called for substantial additional detail on operating controls for the management of night time noise. We remain firmly of the view that the initial proposal was reasonable and appropriate in respect of its acoustic impacts.

In early August IronClad responded comprehensively to the set of issues raised in both the public submissions and the agency submissions



The DAC returned with a provisional date of 29 August for the DAC hearing. However IronClad was subsequently advised by the DAC that it was having difficulty setting up a dialogue with the EPA and as a result had not received the feedback they required from the EPA in time to include into the schedule for 29 August. Further enquiries resulted in information that delays were related to the EPA stance regarding harbour night time noise levels and that additional commitments would be required. IronClad again responded quickly with the required undertaking to meet the EPA night time goal noise levels notwithstanding that we considered such a request to be unreasonable.

The DAC hearing was finally successfully scheduled for 12 September and went ahead as planned. The format of the proceedings was to hear representations followed by an opportunity for IronClad to respond. The DAC then went on to enquire on various planning and operational matters related to the project. Unfortunately from IronClad's point of view the hearing did not include an opportunity to provide the DAC members with a comprehensive briefing on the details of the project. It was felt this may have answered many of the questions and avoided any misunderstanding of the proposal.

The meeting resulted in a DAC resolution to defer a decision pending the submission of further information. On 18 September an information request was received requesting details related to operations, in particular logistics information including barge loading and transfer times and associated environmental matters including, air quality (dust), noise and marine impacts.

A response was again carefully prepared and submitted to the DAC on 4 October and a second follow up meeting with DAC scheduled for 10 October. In this response a specific request was made to provide a briefing to the DAC prior to the meeting, which was accepted.

At the meeting of 10 October the briefing was well received, the response document accepted and a number of further questions asked. On the basis of this meeting the DAC will consider the submission and supporting information provided and prepare a recommendation to be passed to the Minister of Planning.

While ultimately frustrated at the length of time this process has taken, at its conclusion IronClad remains in positive mood and while recognising there are no statutory timeframes for ministerial sign-off is hopeful of a timely resolution.

Wilcherry Hill Mining Approvals

The mining lease is currently subject to a statutory exemption allowing IronClad to hold its lease rights but releasing the company from a requirement to commence mining operations. This expired in August 2013.

IronClad submitted an application for a further 12 month exemption from August 2013 to August 2014 to protect mining lease rights. Formal approval for this exemption was expected in September but was not forthcoming. Verbal advice from the South Australian Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) indicated this would likely be approved in October.



IronClad submitted a revised Program for Environmental Protection and Rehabilitation (PEPR), including Closure Plan and environmental bond estimation to DMITRE the week beginning 6 May 2013. (See subsequent events)

Commonwealth Approvals

In May 2013, IronClad was approached by the Commonwealth Department of Environment (DSEWPaC). DSEWPaC advised that the Federal Environment Minister of the day had been contacted by concerned citizens calling for the Lucky Bay Common User Export Facility project to be declared a Controlled Action under the Environmental Protection and Biodiversity Act and therefore subject to further Commonwealth approval processes.

Following up on correspondence from DSEWPaC IronClad attended a project briefing session in Canberra in June and provided an exhaustive list of documents related to the environmental studies carried out in support of the project. At the end of June DSEWPaC were still considering the scale of the Lucky Bay project and if, in their view, the proposed scale of operations and the associated environmental risks would pose a threat to species of National significance.

In July representatives of DSEWPaC conducted a site inspection at Lucky Bay. Immediately following the inspection, IronClad received a confirmation letter that the investigation conducted by DSEWPaC, and taking into account the significant documentation and briefing it had received, had concluded that the self assessment process carried out by IronClad was suitable and appropriate and that “the Department is of the view that the proposed action is unlikely to have a significant impact on matters of National environmental significance”.

This outcome ends the investigation, fully satisfy’s DSEWPaC requirements and closes the risks of any further Commonwealth approvals or actions related to the project at Lucky Bay.

Lucky Bay Infrastructure

Ironclad has commissioned detail design of the onshore infrastructure for its Lucky Bay port facility. The detail design and quantities generated will form the basis of future tender documents.

Details of the maintained approach channel to the Lucky Bay harbour have been finalised with the owner of the harbour, Sea Transport and the Marine division of the South Australian Department of Planning, Transport and Infrastructure (DIPTI).

Resource and Geology

WILCHERRY HILL IRON PROJECT **MINING LEASE (ML 6390)**

Mineral Reserves

The stage one mineral reserves for the principal iron deposits of Weednanna, Ultima Dam East and Weednanna North were updated of as part of an optimised estimate. Data from an additional 5,378m of reverse circulation infill drilling completed in the latter part of 2012 were included in the optimisation



A JORC Ore Reserve estimate for stage one of the Wilcherry Hill project was completed during the quarter by mining consultants RungePincockMinarco. The reserve was estimated as part of an updated and optimised stage one feasibility study.

Stage one of the project is defined as mining and shipping of direct shipping ore (DSO) and ore that can be upgraded to specification by a simple dry magnetic separation process (DMS).

A total of 2.9 million tonnes of open cut proved and probable ore reserves were estimated for stage one (table 1)

These reserves are made up of 1.9 Mt DSO with average grade of 57%Fe and 1 Mt DMS product with an average concentrate grade of 52.6% Fe

| Ore Type | Category | Mt | Fe% | SiO ₂ % | Al ₂ O ₃ % | S% | P% | LOI% |
|----------------------|------------------|------------|-------------|--------------------|----------------------------------|-------------|-------------|------------|
| DSO | PROVED | 1.0 | 57.7 | 3.7 | 7.8 | 0.1 | 0.03 | 3.8 |
| | PROBABLE | 0.9 | 56.3 | 3.7 | 8.4 | 0.09 | 0.03 | 4.2 |
| | SUB TOTAL | 1.9 | 57.0 | 3.7 | 8.1 | 0.08 | 0.03 | 4.0 |
| DMS | PROVED | 0.3 | 52.8 | 2.4 | 11.7 | 0.07 | 0.07 | 4.5 |
| | PROBABLE | 0.7 | 52.5 | 2.3 | 11.6 | 0.1 | 0.08 | 4.6 |
| | SUB TOTAL | 1.0 | 52.6 | 2.3 | 11.7 | 0.09 | 0.08 | 4.6 |
| TOTAL PRODUCT | PROVED | 1.3 | | | | | | |
| | PROBABLE | 1.6 | | | | | | |
| | TOTAL | 2.9 | | | | | | |

Table 1 Wilcherry Hill Open Cut Reserves

EXPLORATION ACTIVITIES – Ironclad / Trafford Resources JV - Tenements (EL 5164, 4162, 4286 & 4421)

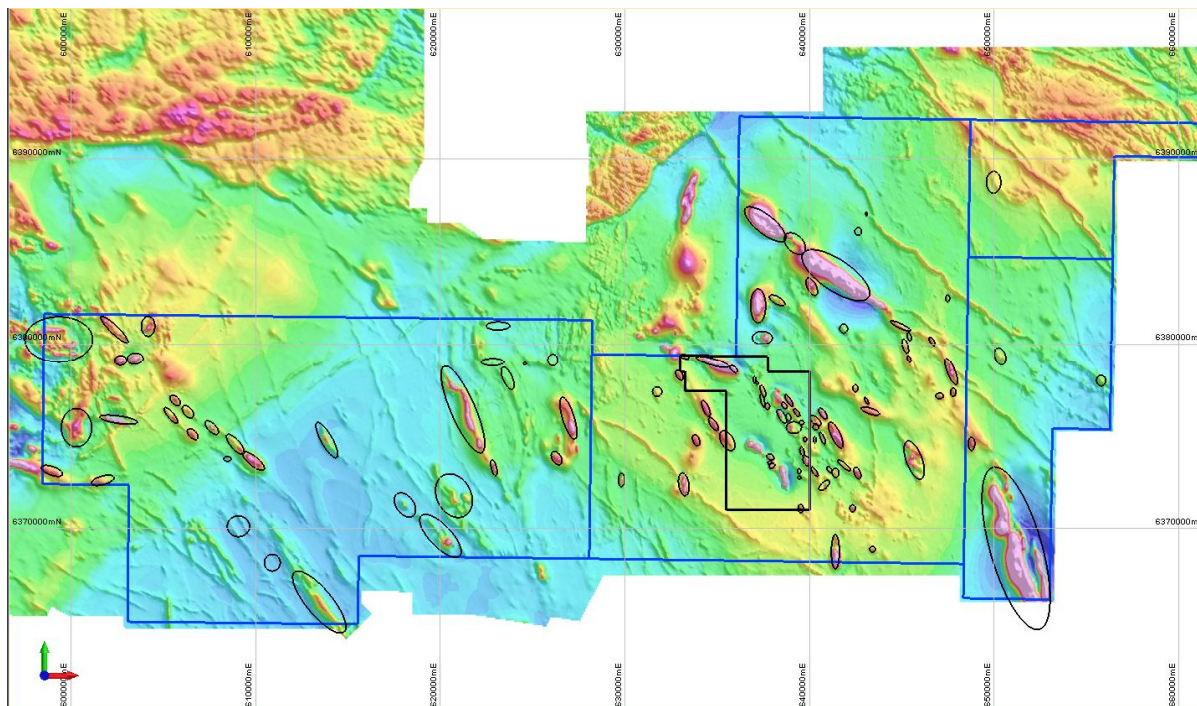
During the September quarter the Company continued its low cost exploration activities to identify additional near surface high grade iron resources as potential DSO. Information on these activities is summarised below:

Regional

The systematic review and field checking all potential exploration targets within the JV tenement areas was completed towards the end of the quarter.

Compilation of data will be completed next quarter along with recommendations. This process will generate ongoing drill targets to continue to build the resource base to sustain a long term DSO / DMS mining operation. Drilling of generated targets is most likely to be undertaken once mining operations commence.

A total of 109 anomalous targets were identified either on the JV tenements or immediately bounding the border to other tenement leases.



*Figure 1 Wilcherry Hill JV Tenement Overview – Exploration targets
Geophysics*

Reprocessing of aeromagnetic data and geophysical modeling of a number of key prospects to assist in prioritising the targets is now completed. Modeling of the magnetic data has particularly identified areas where the source of the magnetic response is interpreted at less than 100m below surface - a key economic criterion when ranking the prospects.

Two areas from the above work have been chosen for detailed ground magnetic surveys to refine the model parameters and assist in drill targeting. Surveys are planned for early next quarter.

Hercules - Exploration for near surface goethite / hematite mineral resources

The prospect lies approximately 15km to the South East of the Company’s Wilcherry Hill project on EL 5164.

The target at Hercules is near surface low strip ratio mineralisation with grades suitable as DSO or for upgrade via simple beneficiation. Updating of the geological interpretation has now been completed

Marketing and Shipping.

Sale of tug/workboat the MV Demi Maddison .

In September the Demi Maddison was sold.

Construction of 57m powered transhipping barge “IronClad1 “

The barge is under construction in Guangzhou, China. Completion is scheduled for late November 2013. The barge is currently being offered for sale.



Health, Safety, Environment and Community Performance

There were no health and safety incidents for the quarter. Similarly there were no environmental or community complaint events reported in the quarter and statutory compliance monitoring was carried out on schedule.

| Key Performance Indicators (KPI) | Reported September Qtr 2013 |
|---|------------------------------------|
| Fatalities, Lost Time Incidents LTI and Restricted Work Cases | 0 |
| Medical Treatment Cases and First Aid Cases | 0 |
| Near Hits and Property Damage | 0 |
| Production Loss, Environment, Hazard, Heritage and Complaint Events | 0 |
| Personnel deemed not fit for work | 0 |
| Total events | 0 |

Table 2: HSE June Quarter HSEC KPI Performance

Subsequent Events

On 15 October 2013 IronClad was formally notified that the mining exemption, protecting its mining lease rights, and Program for Environmental Protection and Rehabilitation (PEPR) had been approved. This completes the mining approvals requirements and paves the way for the start of mining operations.

On the 23 October 2013, Ironclad Mining Limited and Trafford Resources Limited reached agreement on a proposed manganese joint venture (JV) for the manganese rights over Trafford Resources Limited's Wilcherry Hill Tenements (EL4421, EL5164, EL5299, EL4286).

Contact

IronClad Mining

Ian Finch
Exec. Chairman
P +61 8 9485 1040

Robert Mencil
Managing Director
P+61 8 8224 0411

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 approximately 1Mtpa of Direct Shipping Ore (“DSO”) and ore concentrated via Dry Magnetic Separation (DMS) initially for three years.

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 a total of 2 to 3 Mtpa of iron ore by combining Wilcherry Hill magnetite gravity concentrate with the DSO and DMS 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 JORC classification of 194 Mt.

Competent Person Statement

Competent Person Statement – Exploration Results

The information in this announcement that relates to exploration results 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.