

31st July 2013

Quarterly Report to 30 June 2013

During the quarter the Company continued its development of the Wilcherry Hill Iron Ore Project.

It has continued to seek amendments to the development approval of its proposed Lucky Bay Common User Facility (CUEF) which, if approved, will result in significant operating (Opex) and capital (Capex) cost savings. IronClad remains confident that the outstanding Lucky Bay Development Application (DA) will be granted and that the significant cost savings anticipated will justify seeking the amendments to the approval and subsequent project delay. IronClad's number one priority remains this outstanding revised approval.

During the quarter the Company held a series of discussions with banks, non-banks and potential customers regarding project funding. Funding efforts have focused on two preferred options: one being a commodity trader and / or an end user providing funding linked to the establishment of a long term iron ore off take agreement and the other the possibility of bank finance supported by buyer guarantees. Both options have attracted interest and discussions are ongoing.

Wilcherry Hill Project

Government Approvals

The Development Application for the Lucky Bay Common User Facility was submitted in February 2013, immediately following receipt of the Section 49 Sponsorship from the South Australian Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE). The Section 49 classification required the DA to be processed under the development system framework for Crown and public infrastructure projects processed by the South Australian Development Assessment Commission (DAC).

On the 17 April 2013 IronClad received an additional information request from DAC with comments from the South Australian Environmental Protection Authority (EPA) and other SA Government agencies. The information requests were extensive covering some 46 items. As a result, further environmental monitoring and modelling was required for air quality (dust), acoustics and stormwater management in order to satisfy these information requests. Further, an additional series of management plans were prepared and submitted to provide detailed operational control information for all anticipated environmental impacts associated with the project. These responses were prepared and submitted on 17 May 2013.

A site visit with the EPA and DAC assessment staff was conducted in May to review the Lucky Bay site and clarify outstanding environmental assessment issues. This included a meeting and

Q&A session with Franklin Harbour Council and their elected members. Following this, and also in May, a program of public consultation was carried out in the Franklin Harbour Council Chambers, for the local community. Ironclad and its consultants including engineering, acoustics and air quality specialists were available to provide a project overview and discuss any matters of concern with the public. Over 40 people from the Cowell and Lucky Bay community were represented.

Shortly after the public consultation in Cowell, DAC advised IronClad that the formal advertising and period for public comment, a statutory requirement for any DA, would begin in early June and be complete by 23 June. However on 3 June IronClad received further advice from DAC that some minor changes were required to the DA documentation prior to advertising and public comment. A response was provided to DAC on 4 June and a meeting held with DAC to advise the urgency of progressing to public notification as quickly as possible. Unfortunately the application encountered some further administrative delays which were finally resolved on 18 June with advertising and the opening of the period for public comment. Submissions closed on 11 July 2013.

The mining lease (ML) for Wilcherry Hill is currently subject to a statutory exemption under the South Australian Mining Act, allowing IronClad to hold the lease but releasing the Company from a requirement to commence mining operations. This exemption is currently due to expire on 1 August 2013. To commence mining a revised Program for Environmental Performance and Rehabilitation (PEPR) is required to be submitted and approved prior to mining commencement. A PEPR was prepared in April and May and formally submitted to the South Australian Department of Manufacturing Innovation, Trade, Resources and Energy (DMITRE) during the week of 20 May 2013. Discussions with DMITRE indicate that the period of approval for the PEPR amendment will be 8-10 weeks from submission. The process for the approval of the revised PEPR is on track.

The Company expects approval to be granted in the near future.

Resource and Geology

WILCHERRY HILL IRON PROJECT

MINING LEASE (ML 6390)

During the quarter a full review of all input data pertaining to the mineral resource estimate and the subsequent reserve and mining study was undertaken. Initially centred on the Ultima Dam East (UDE) pit, the review was extended to the Weednanna and Weednanna North Pits. (see "Mining" below)

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

During the 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 as follows:-

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

Black Hills West (BHW) Prospect

The mineral resource delineated at BHW and reported upon in past quarters is associated with a magnetic anomaly. Higher intensity magnetic anomalies occur 200m to the east and 2km to the south. As previously reported, ground magnetic surveys, to provide better data resolution, have been completed over these areas and the area drilled.

Geophysical modelling has been completed on these three areas. The potential for additional near surface (<100m) iron mineralisation and more extensive primary iron mineralised bodies has been demonstrated.

Reconnaissance drilling is now planned.

Regional

Systematic progress is being made in reviewing and field checking all historical, potential prospects / exploration targets within the JV tenement areas. This process will generate ongoing drill targets to continue to build the resource base to sustain a long term DSO / DMS mining operation. This program is expected to be completed in the next quarter.

While not an exhaustive list, a total of 115 anomalous targets were identified on the JV tenements (Figure 1).

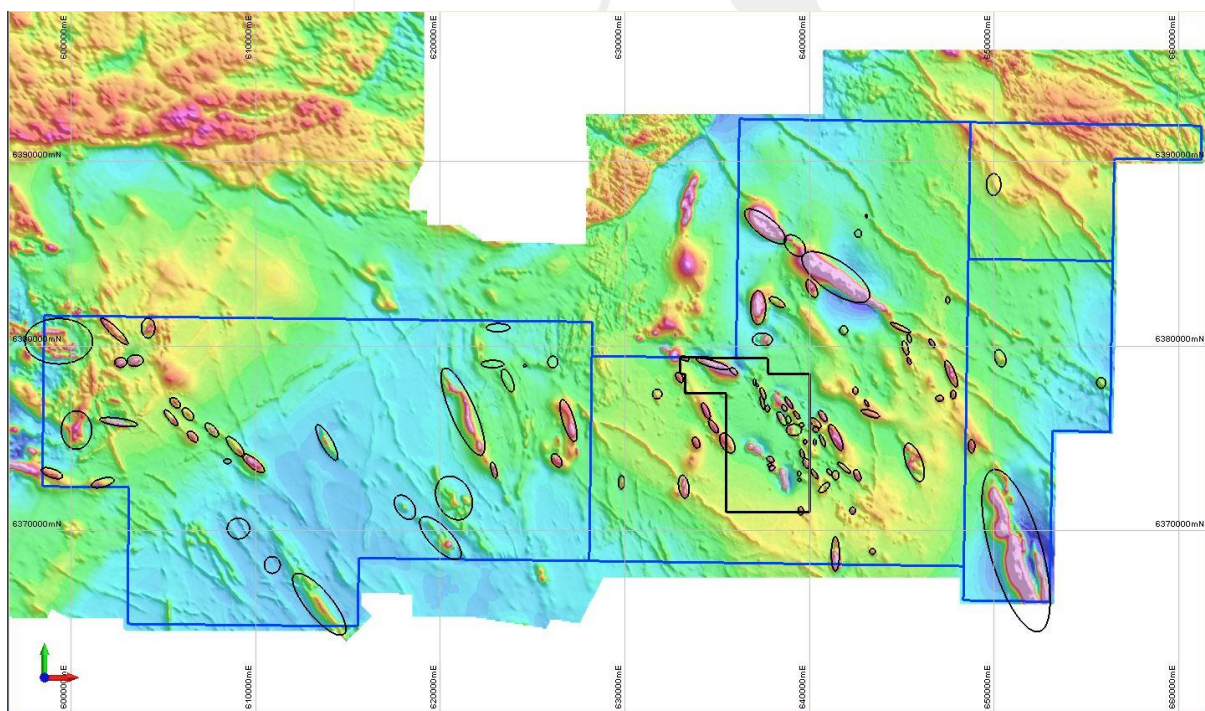


Figure 1 Wilcherry Hill JV Tenement Overview – Exploration targets (black outline)

Of the 115 targets identified, 29 were classified as having been ‘drilled’ and the remaining 86 were classified as being ‘undrilled’. Excluding the JORC Mineral Resource’s from the drilled category the

remaining prospects where drilling has occurred are still considered prospective for near surface DSO mineralisation.

With limited outcrop in the region geophysical methods of discovery such as magnetics, gravity and remote sensing are required to target prospective areas. Reprocessing and geophysical modelling of a number of key prospects to assist in prioritising the evaluation of the targets is nearing completion. Targets for ground magnetic surveys have already been defined and these surveys will be carried out before the end of the calendar year (Figure 2).

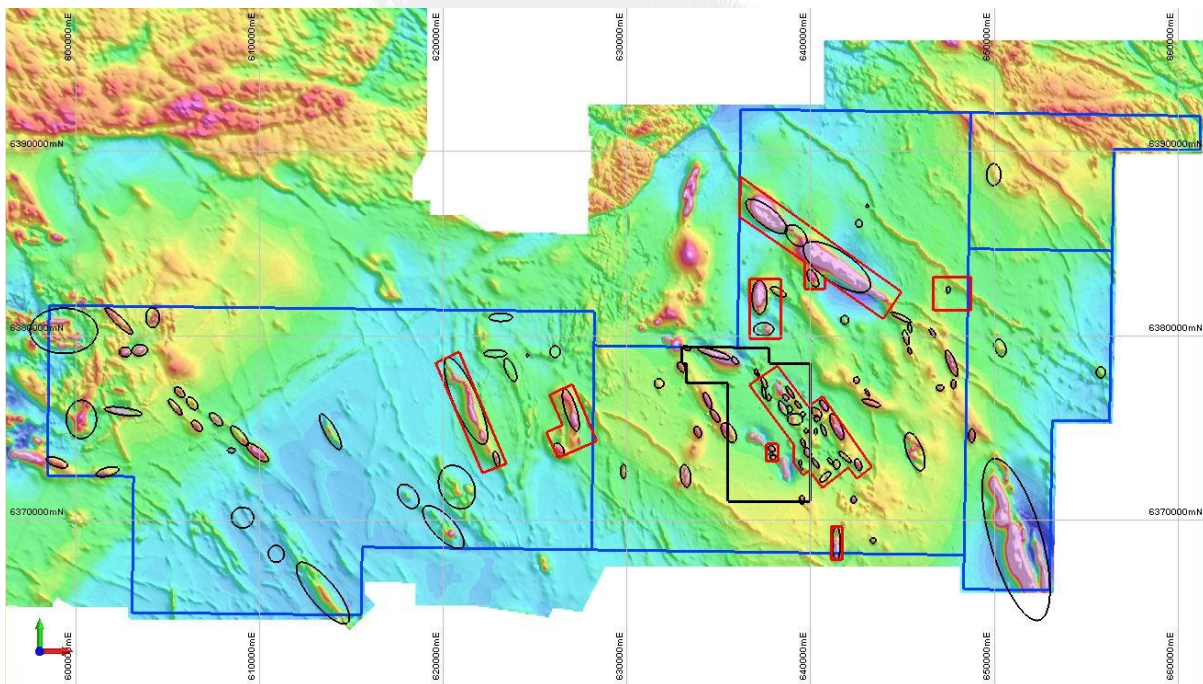


Figure 2 Wilcherry Hill JV Tenement Overview – Exploration targets (black outline), areas for closer spaced magnetic surveys (red outline)

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 for upgrade via beneficiation. Mineralisation with low LOI (loss on ignition) is of particular interest.

Following on from the exploration drilling completed in the previous quarter preliminary testwork was conducted to examine the potential upgrade of iron and the deportment of impurity minerals. Five composite samples of varying LOI were sent to Nagrom Laboratories for wilfley table gravity concentration testwork. Results are promising.

Based on the behaviour of iron during the testwork, there is potential for a gravity beneficiation resource at Hercules if care is taken to utilise the LOI to define material types. Samples with LOI less than 7% gave approximately 40% mass yield at about 62% Fe concentrate grade. Given that the samples selected were only 40% Fe head grade, material of higher iron grades will be expected to give better results

Updating the geological interpretation commenced ahead of revising the existing 2008 JORC mineral resource. It is anticipated this will be completed by the end of the next quarter. Once completed an assessment of the low LOI potential will be possible and further exploratory and / or metallurgical testwork recommended.

Mining

Mining studies and Mineral Reserve estimation in support of commencing a direct shipping ore (DSO) mining operation before the end of the calendar year were completed during the quarter. In order to further minimise both operating and capital costs a supplementary optimisation study by independent consultants Runge Pinock Minarco was commissioned. This work is ongoing and results will be reported in the coming quarter. Preliminary mining studies were also completed on the Black Hills West and Ultima Dam West mineral resources.

Marketing

During the quarter ore samples representative of IronClad's intended DSO (Direct Shipping Ore) product were forwarded to a steel mill in Northern China and a major Chinese commodity trader for their analysis and test work. The sample results were positive and several Chinese buyers have confirmed their willingness to purchase IronClad DSO product.

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.

Table 1: HSE June Quarter HSEC KPI Performance

Key Performance Indicators (KPI)	Reported June 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

Subsequent Events

The public consultation for the Lucky Bay Development Application closed on 11 July. Three (3) public submissions were received and IronClad is currently responding to those submissions. Two (2) of the submissions requested a hearing from the Development Assessment Commission (DAC). A full sitting of the DAC will now be required to consider the submissions along with the IronClad response. A date is currently being set for the DAC hearing and, while not yet confirmed, is most likely to be scheduled for mid-August 2013. A final approval decision is expected within 10 to 14 days of the DAC hearing.

Corporate

During the quarter, the Company received \$5.1 Million through its 2011/12 Research and Development (R&D) Rebate which was based on associated expenditure in excess of \$10 Million incurred by the Company on activities undertaken to optimise its Wilcherry Hill Iron Ore Project.

On 26th May 2013, 150,000 options with exercise price of \$1.25 lapsed.

Contact

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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).

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 for two years, increasing to 2 to 3 Mtpa in the project's third 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 transshipments to awaiting ships anchored off-shore in the Spencer Gulf.

Stage Two of the Project involves a further increase in production to 3 to 4 Mtpa of iron ore by combining Wilcherry Hill magnetite concentrate with the DSO product.

Stage Three includes the 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.

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.



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