



**IRONCLAD**  
MINING LIMITED

Registered Office:  
Level 2, 679 Murray Street  
West Perth, WA, 6005  
Telephone: +61 (08) 9485 1040  
Facsimile: +61 (08) 9485 1050

21<sup>st</sup> April 2010

**ASX Release**

Principal Office:  
307 Pulteney Street,  
Adelaide, SA, 5000  
Telephone: +61 (08) 82240411  
Facsimile: +61 (08) 82270411

## **Chinese Mining Fund Signs MOU For 50% Stake in DSO Stage of Wilcherry Hill Iron Ore Project.**

### **Highlights.**

- **Chinese Funding for IronClad Development**
- **Start- up Capital Secured.**
- **Early Production on Track.**

The Directors of IronClad Mining Limited (ASX:IFE) and Trafford Resources Limited (ASX:TRF), participants in the Wilcherry Hill iron ore joint venture, are pleased to announce that they have signed a Memorandum of Understanding (MOU) with MCMC Capital Management Co. Ltd., (MCMC), under which MCMC can earn a 50% interest in **Stage One** of the Wilcherry Hill Iron Ore Project in South Australia by agreed expenditure of AUD\$35 Million. The MOU provides for a total of 120 days for MCMC, IFE and TRF to enter into a **Stage One** Joint Venture Agreement.

Upon completion of MCMC's expenditure, the Stage 1 Joint Venture will be MCMC = 50%, IFE = 30%, TRF = 20%. IronClad retains 80% of the remainder of the Wilcherry Hill and Hercules projects.

The formal agreement emanating from the MOU will be subject to IFE shareholder approval as well as the normal Australian and Chinese regulatory approvals.

MCMC's funding will be drawn from the capital of a mining fund sourced from Asia-Pacific institutional investors and Chinese private steel enterprises. Its investment strategy is to support Australian mining companies through capital, technology and marketing, and to build a bridge between Australian mining and trading companies and Chinese end-users.

**Stage One** of the Wilcherry Hill Project will produce high quality, low containment Direct Shipping Ore (DSO) which is also the highest value iron ore to steel makers. It is defined, for the purposes of the MoU, as specification ore that can be produced by simple low cost, **dry** beneficiation. It is anticipated **that Stage One**, which is being fast tracked into production by the end of this year, will deliver up to two million tonnes a year for at least three years of DSO ore.

In February IronClad also signed an MOU with Liuzhou Iron and Steel Co Ltd of China for the sale of up to one million tonnes of Wilcherry Hill DSO a year with the delivery time to be mutually agreed and, and with prices to take account of prevailing market conditions.

On April 7 the Directors of IronClad and Trafford advised that the substantial increase in iron ore prices agreed between major suppliers and end users could increase their Pre-feasibility Study (PFS) estimated margins by some \$20 a tonne to a total estimated margin of approximately \$50 a tonne for Wilcherry Hill high quality, low contaminant ore, thereby significantly increasing the overall value of the project.

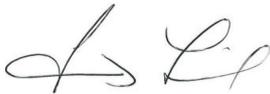
Delivery of this high value product during the current period of very strong demand is expected to provide the current Wilcherry Hill Joint Venture with a strong cash flow to assist in the funding of Stages Two and Three of the project.

**Stage Two** of the project is defined as all other skarn related, crystalline magnetite iron ore from the Wilcherry Hill tenements (excluding Hercules) which must be concentrated through wet processes to achieve specification., This excludes all Stage One ore.

**Stage Three** is defined as production from the massive Hercules Project, comprising the production of Banded Iron Formation (BIF) magnetite, hematite and goethite.

Both IFE and TRF look forward to a close and continuing relationship with MCMC in the forthcoming years.

For further information please contact Mr. Ian Finch +08 9485 1040.



Ian D. Finch  
Executive Chairman