

IronClad Mining Limited

ABN 79 124 990 405



*For the half –year ended
31 December 2008*

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CORPORATE DIRECTORY

DIRECTORS

Ian D. Finch
Neil W. McKay (Non Executive)
Peter W. Rowe (Non Executive)
Shane B. Sadleir (alternate to Ian D. Finch)

COMPANY SECRETARY

Neil W. McKay

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WEST PERTH WA 6005

SHARE REGISTRAR

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
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Facsimile: (08) 9389 7871

STOCK EXCHANGE LISTING

Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
Code: IFE

BANKERS

Westpac Banking Corporation
Murray Street
WEST PERTH WA 6005

DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2008.

Directors

The names of directors who held office during or since the end of the half-year:

Mr. Ian Finch

Mr Neil McKay

Mr. Peter Rowe (appointed 16 February 2009)

Mr David Macoboy (resigned 9 January 2009)

Review of Operations

Overview

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

Highlights have included:

- Resource upgrade of crystalline magnetite at Wilcherry Hill
- Project Manager, Patrick Clifford recruited
- Prefeasibility study progressed
- Potential project partners identified
- Excellent exploration results at Hercules, culminating in a maiden resource of 216Mt
- Identification of substantial exploration potential at Hercules and Ultima Dam West

IronClad recognises that infrastructure is essential to the project, and is fortunate that it is well located close to various facilities, which currently offer many viable product transport alternatives. The decision by the South Australian Government to award the Port Bonython feasibility study for construction of a deep water port is a further and significant boost for the project.

IronClad has retained a strong cash position, with approximately \$5M cash at bank at the end of December 2008. Despite the deterioration in the capital market conditions, IronClad has experienced renewed interest for potential off-take and/or equity participation agreements for its high quality product. The Board met with potential partners during a visit to China in November, which resulted in an MoU with one of Chinas largest steel mills.

Development

The prefeasibility study commenced in August 2008 and the newly appointed project manager, commenced his full time position from the beginning of September. Key consultant groups were engaged to assist in specialist areas of the study.

Technical work is well progressed and it is expected that IronClad will be able to move seamlessly into Bankable Feasibility in 2009 as planned. Discussions with potential end users have focussed the company to increase its capacity to a minimum of 4Mtpa .

Significant milestones achieved by the study team during the quarter included:

- Completion of a biodiversity study;
- Completion of a desktop hydrogeological study, which has identified several prospective local saline water targets, including a major palaeochannel and fractured rock aquifers.
- Release of the resource upgrade, which has increased the premium magnetite resource to 60Mt and identified a maiden resource of 216Mt at Hercules (combined ore types).
- Metallurgical testing of oxidized ore types is near completion
- Continuation of community engagement, with numerous meetings held with the traditional owners, as well as state and local Government officials.

DIRECTORS' REPORT

Exploration

The drilling program was completed during October having achieved the desired goal of collecting data to increase resource confidence and extend known mineralisation. Exploration activities focused on greenfields drilling at Hercules and resource definition drilling at Wilcherry Hill (Figure 1).

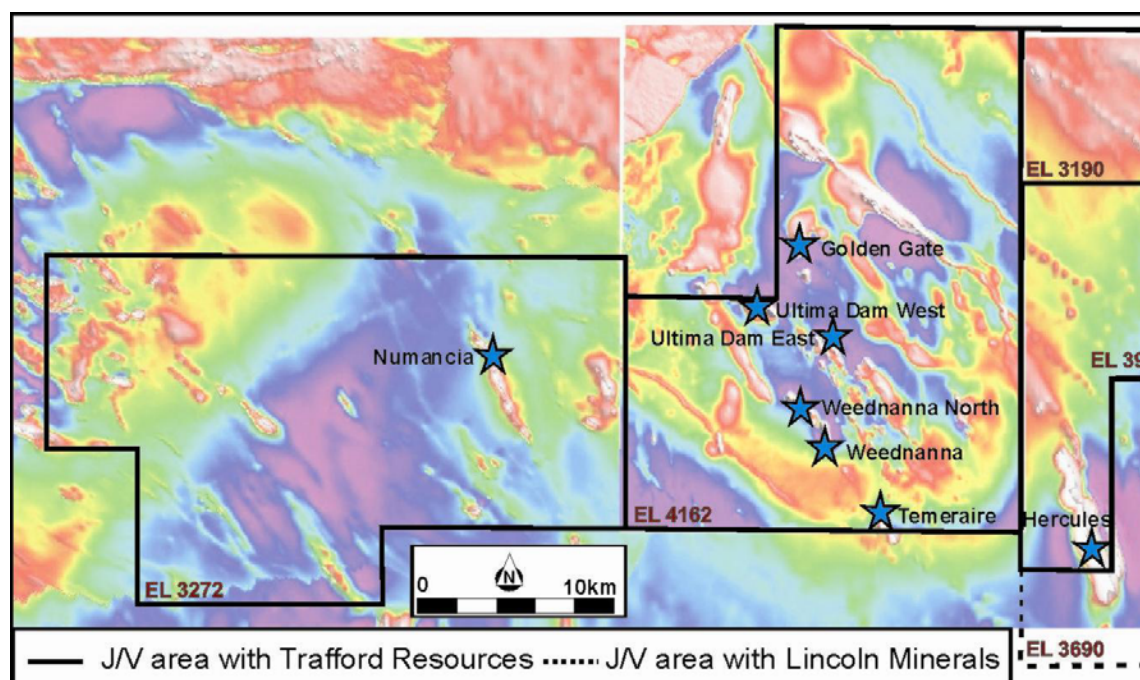


Figure 1: Aeromagnetic (TMI) image showing active prospects

Assays have been received and initial resource interpretation and modelling has been completed. Independent experts at Golder Associates provided assistance with ensuring JORC compliance. The drilling has culminated in a resource update, which has resulted in an upgrade in high grade crystalline magnetite at Wilcherry Hill to 60Mt and a maiden resource of 216Mt of conventional banded iron (BIF) mineralisation at Hercules.

At Hercules, excellent drilling results were achieved early in the exploration program, so a diamond hole was drilled to collect bulk metallurgical samples and more detailed geological information.

The potential for large tonnages of both DSO and concentrated material and its closer proximity to the port at Port Bonython make Hercules an exciting medium term development project for IronClad.

IronClad is very encouraged by the increase in resources on its Wilcherry Hill and Hercules projects and in particular by the high proportion of Indicated Resources at Wilcherry Hill. Testwork has shown that all ore types at Wilcherry Hill will upgrade readily to a suitable product for steelmakers, even after a relatively coarse grind. Testwork at Hercules is underway, although it is expected that a finer grind will be required given the conventional nature of this mineralisation.

Significant potential has also been identified to expand these resources. At Ultima Dam West, nine out of ten drill holes have intersected high grade crystalline magnetite, including 08UWRC003, which assayed 133m @ 29.6%Fe. The magnetic anomaly which comprises Ultima Dam West is 2.8km long, which compares to the Weednanna anomaly which is 1.2km long.

DIRECTORS' REPORT

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 7 of the half-year ended 31 December 2008 financial report.

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



Director.....

Mr. Ian D. Finch

Dated this 9th day March 2009

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 for the half year ended 31 December 2008 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
Director

DATED at PERTH this 9th day of March 2009

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008	31.12.2007
	\$	\$
Revenue	238,464	554,570
Administration expense	(30,385)	(49,571)
Consultancy expenses	(67,128)	(33,206)
Compliance & regulatory expenses	(17,893)	(5,288)
Director fees	(68,000)	(83,518)
Depreciation and amortisation expense	(15,964)	(5,311)
Legal fees	(20,172)	(5,431)
Occupancy costs	(7,671)	(13,645)
Option issue expense	41,250	(587,877)
Public relations cost	(61,804)	(118,254)
Staff costs expenses	(66,922)	(107,247)
Training, membership and conference expenses	(1,435)	(4,395)
Asset Write-downs	(8,000)	-
Exploration Written Off	(39,534)	-
Other expenses	(26,945)	(24,766)
Total	(390,603)	(1,038,509)
Loss before income tax	(152,139)	(483,939)
Income tax expense	-	-
Loss for the period attributable to members	(152,139)	(483,939)
Overall Operations		
Basic and Diluted earnings per share (cents per share)	(0.004)	(0.01)

BALANCE SHEET AS AT 31 DECEMBER 2008

	31.12.2008	30.06.2008
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,055,406	9,598,521
Trade and other receivables	269,003	372,250
TOTAL CURRENT ASSETS	5,324,409	9,970,771
NON-CURRENT ASSETS		
Trade and other receivables	10,841	10,227
Property, plant and equipment	226,956	272,645
Capitalised exploration expenditure	13,419,281	9,607,861
TOTAL NON-CURRENT ASSETS	13,657,078	9,890,733
TOTAL ASSETS	18,981,487	19,861,504
CURRENT LIABILITIES		
Trade and other payables	504,149	1,181,669
Short-term provisions	347,731	356,839
TOTAL CURRENT LIABILITIES	851,880	1,538,508
NON-CURRENT LIABILITIES		
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	851,880	1,538,508
NET ASSETS	18,129,607	18,322,996
EQUITY		
Issued capital	19,324,789	19,324,789
Reserves	2,952,600	2,993,850
Accumulated Losses	(4,147,782)	(3,995,643)
TOTAL EQUITY	18,129,607	18,322,996

STATEMENT OF CHANGES IN EQUITY

	\$	\$	\$	\$
	Issued Capital	Accumulated Losses	Reserves	Total
Balance at 1.7.2007	2,003	(1,894,836)	1,748,938	(143,895)
Shares issued during the year	20,000,000	-	-	20,000,000
Prospectus costs	(677,093)	-	-	(677,093)
Issue of options to Director and Employees	-	-	921,087	921,087
Loss attributable to shareholders	-	(483,939)	-	(483,939)
Balance at 31.12.2007	<u>19,324,910</u>	<u>(2,378,775)</u>	<u>2,670,025</u>	<u>19,616,160</u>

	\$	\$	\$	\$
	Issued Capital	Accumulated Losses	Reserves	Total
Balance at 1.7.2008	19,324,789	(3,995,643)	2,993,850	18,322,996
Shares issued during the year	-	-	-	-
Prospectus costs	-	-	-	-
Issue of options to Director and Employees	-	-	(41,250)	(41,250)
Loss attributable to shareholders	-	(152,139)	-	(152,139)
Balance at 31.12.2008	<u>19,324,789</u>	<u>(4,147,782)</u>	<u>2,952,600</u>	<u>18,129,607</u>

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008	31.12.2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(406,443)	(408,327)
Payments for exploration activity	(4,397,273)	(3,907,707)
Interest received	240,357	554,570
Net cash provided by (used in) operating activities	<u>(4,563,359)</u>	<u>(3,761,464)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	<u>(10,014)</u>	<u>(380,323)</u>
Net cash provided by (used in) investing activities	<u>(10,014)</u>	<u>(380,323)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Return of excess application funds on share issue	-	(3,313,110)
Costs associated with share issues	-	(468,740)
Loans to (paid by) Other Entities	29,976	-
Net cash provided by (used in) financing activities	<u>29,976</u>	<u>(3,781,850)</u>
Net increase (decrease) in cash held	(4,543,397)	(7,923,637)
Cash at beginning of period	9,598,521	23,370,725
Effects of Foreign Exchange on Cash	282	-
Cash at end of period	<u>5,055,406</u>	<u>15,447,088</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31
DECEMBER 2008**

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by IronClad Mining Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the company and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2: SEGMENT INFORMATION

The Company operates in one geographical segment, being Australia and one industry, mineral exploration.

NOTE 3: CONTINGENT LIABILITIES

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

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

- a) On the 9th January 2009 the Company announced the resignation of Mr David Macoboy as Chairman and Director of the Company, effective from that day.
- b) On the 16th February 2009 the Company announced the appointment of Mr Peter Rowe as a Non-Executive Director of the Company.

NOTE 5: DIVIDEND

No Dividend has been paid during or recommended for the half year ended 31 December 2008.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 12:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the company's financial position as at 31 December 2008 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.

Director



Mr. Ian D. Finch

Dated this

9th day of March 2008

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 which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 company's financial position as at 31 December 2008 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.

Independence

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

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Independent Auditor's Review Report

To the Members of IronClad Mining Limited



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 is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the company's financial position as at 31 December 2008 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
Director

DATED at PERTH this 9th day of March 2009