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30th April 2010

QUARTERLY REPORT 31th March 2010

The Directors of Ironclad Mining Limited (ASX: IFE) are pleased to announce that in the last quarter, the Wilcherry Hill project progressed at an accelerated pace. Highlights of the reported progress include:

- **Direct Shipping Ore (DSO) infill/metallurgical drilling at Wilcherry Hill**
- **IronClad Non-Renounceable Entitlement Issue sees 88% uptake, with Trafford Resources fully participating**
- **Memorandum of Understanding (MoU) signed with Linzhou Iron and Steel Co. Ltd of China to sell 50% of Wilcherry Hill's annual production**
- **Completion of initial metallurgical test work on DSO material proves 50-60% Fe easily upgradeable to +60% Fe using simple dry processes**
- **A bankable study for the Stage 1 DSO operation commenced on 4th January 2010 and the report is due in the second quarter of 2010.**

Drilling

During the reporting period IronClad Mining undertook an 8,000m reverse circulation (RC) drilling program aimed at converting the existing DSO resource into a Mining Reserve category. Three RC drill rigs were commissioned to undertake the program with the intention of completing the program in a two month period.

The bulk of the drilling was undertaken at the Weednanna prospect where the first mining is likely to take place. The balance of the definition drilling will be carried out at the nearby Weednanna North and Ultima Dam East prospects. Results from the RC drilling are expected in the next quarter.

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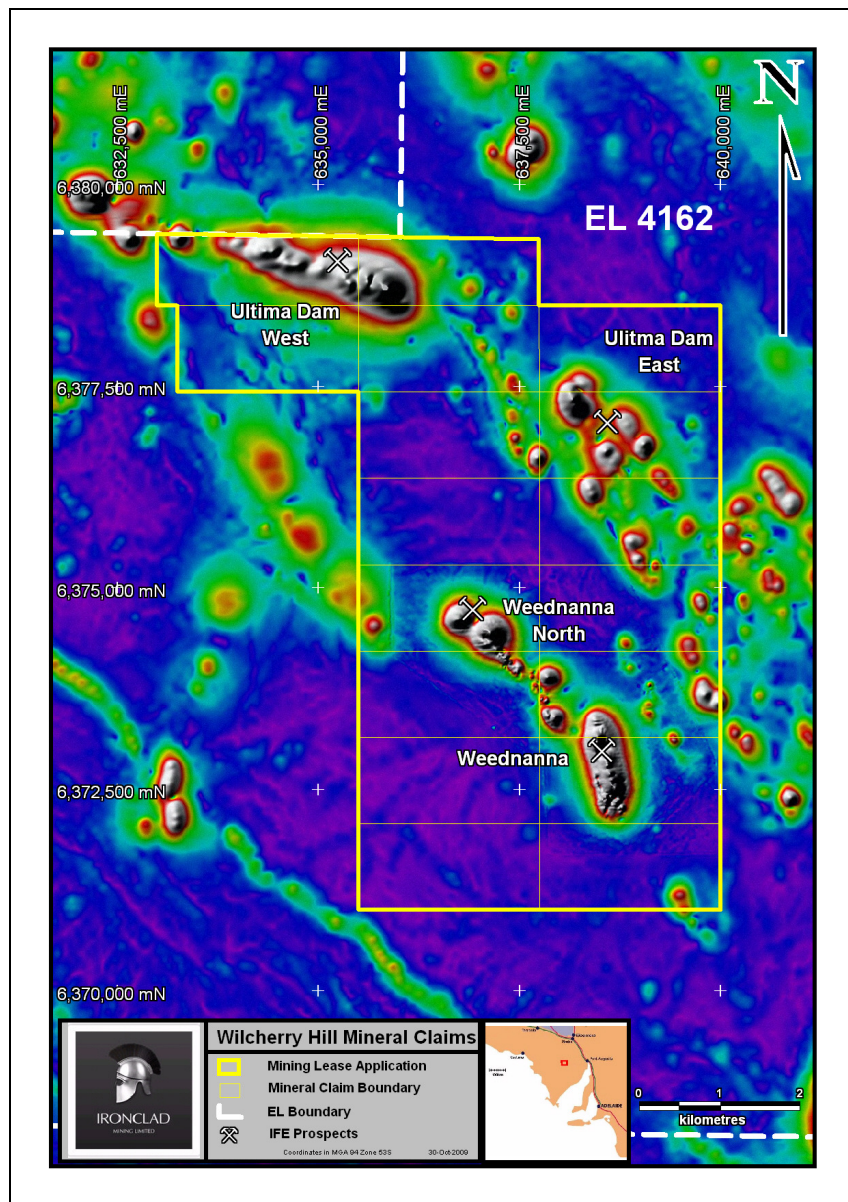


Fig. 1: Wilcherry Hill Mining Lease Application Area

Geotechnical drilling of five (5) diamond core holes was completed in the hanging and footwall rocks and into the ore body to ascertain their geotechnical characteristics. This in turn will assist in optimizing pit designs, ensuring, among other things, a safer working environment.

The first phase of water exploration was undertaken with a total of seven wells drilled to explore for rock fracture aquifer water within the proposed mining lease area. SKM have been engaged to define a borefield for the proposed mining. Large diameter metallurgical drill holes were completed at Weednanna, Weednanna North and Ultima Dam East prospects to provide seven (7), 300kg samples for ongoing metallurgical test work.

Metallurgical Test Work

Metallurgical test work of high grade iron ore at Wilcherry Hill confirms that simple dry, low cost processing will enable the Company to commence production aimed at a rate of 2 million tonnes a year of premium >60% Fe direct shipping ore (DSO) late this year.

Low cost processing on site is likely to be carried out using a simple mobile crushing and screening plant with accompanying low and high intensity magnetic separation options.

The work, carried out by Promet Engineers, involved multiple tests on typical ore samples from recent drilling on the Weednanna Prospect at Wilcherry Hill. Due to the extremely high grade nature of the in situ ore at the Weednanna Prospect, it is the likely site for the first open cut DSO mining operation.

Significantly the test work has also confirmed that IronClad will be able to extend its proposed Stage 1 DSO operation by simple processing of material down to 50% Fe. A lower cut-off grade of 50% Fe readily and economically upgrades to >60% Fe by crushing, screening and low and high intensity dry magnetic separation.

Dry magnetic separation is preferred as it is a low cost option and does not require extensive amounts of water. Further test work will be undertaken during the bankable feasibility study to optimise plant design.

The test work has also shown a significant upgrade by size from simple crushing and screening with high lump to fines ratio of 52:48. This ratio should enable IronClad to negotiate a premium price for its shipped product.

	Lump	Fines
Size Range	95% -32+8mm	80% -8mm+150micron
%Fe	>62%	>60%
%SiO₂	<5%	<5%
%Al₂O₃	<3%	<3%
%CaO	0.02-0.04%	0.02-0.04%
%MgO	0.7-0.9	0.7-0.9
%TiO₂	<0.04	<0.04
%Na₂O+K₂O	<0.12	<0.12
%P	<0.02	<0.02
%S	<0.04	<0.04
%MnO	0.12-0.15	0.12-0.15
%LOI	2.0 – 4.0%	2.0 – 4.0%

Table 2: Summary of likely specifications from test work.

Quality products can be produced with low impurities (table 2). In addition to the high lump and fines grades, the test work shows that a high grade (>65% Fe), <3mm sinter additive can also be produced.

Corporate

During the reporting period a Non-Renounceable Entitlement Issue of Shares offered to existing shareholders on a one for ten basis at \$0.65 had an 88% uptake. Trafford Resources fully participated in the IronClad share issue, taking up its full entitlement of 2 million shares at the issue price of \$0.65 per share. Trafford Resources has a 50% direct interest in IronClad Mining and a 20% free carried interest in the Wilcherry Hill Iron Ore Project.

Key appointments of Mr Ken Houghton as General Manager, Marketing, Mr. Alister Hertle as General Manger, Operations and Mr. Charlie Johnson, Approvals Manager were made during the quarter. Coffey Natural Systems was appointed to facilitate Government approvals. These appointments will help to fast-track development of the Wilcherry Hill iron ore project.

IronClad Mining entered into a Memorandum of Understanding (MoU) with Linzhou Iron and Steel Co. Ltd (LISCO) of China for the sale of a minimum of one million tonnes of direct shipping ore (DSO) a year from the Wilcherry Hill iron ore project. Once converted into a sales contract this will account for half of the Joint Venture's planned iron ore production in a full year.

Subsequent Events

On 19th April 2010 the Company entered into a non-binding Memorandum of Understanding, whereby, subject to shareholder and relevant Government approvals, it is proposed that the Company offer MCCM Capital Management Co. Ltd. (MCCM) the right to farm-in up to 62.5% of the Company's Stage 1(a) Joint Venture interest, by MCCM expending \$35 million. Under a separate agreement, MCCM also has the right to subscribe for up to 4.4 million ordinary shares in the Company in two equal tranches. The price for the first tranche has been set at \$1.50 per share.



Ian Finch

Director

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The information in this announcement that relates to results, is based on information compiled by Ian 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 and is Executive Chairman 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.

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