



IRONCLAD

MINING LIMITED

Registered Office: Level 2, 679 Murray Street, WEST PERTH WA 6005

Correspondence To: PO Box 1124, West Perth WA 6872

Ph: (08) 9485 1040 Fax: (08) 9485 1050

Principal Office: 307 Pulteney Street, ADELAIDE SA

Ph: (08) 8212 7577 Fax: (08) 8212 7377

31st October 2011

QUARTERLY REPORT 30TH SEPTEMBER 2011

IronClad Mining Ltd (ASX: IFE) (IronClad or “the Company”) has exercised the option it held with Sea Transport Corporation over the port facilities at Lucky Bay in South Australia.

The exercise of the option gives the Company full access to a designated 50 hectare site, with harbour frontage and full usage of the port itself. This paves the way for a two stage transshipping operation due to commence very early in 2012.



Figure 1: Existing Lucky Bay facility

For personal use only

For personal use only

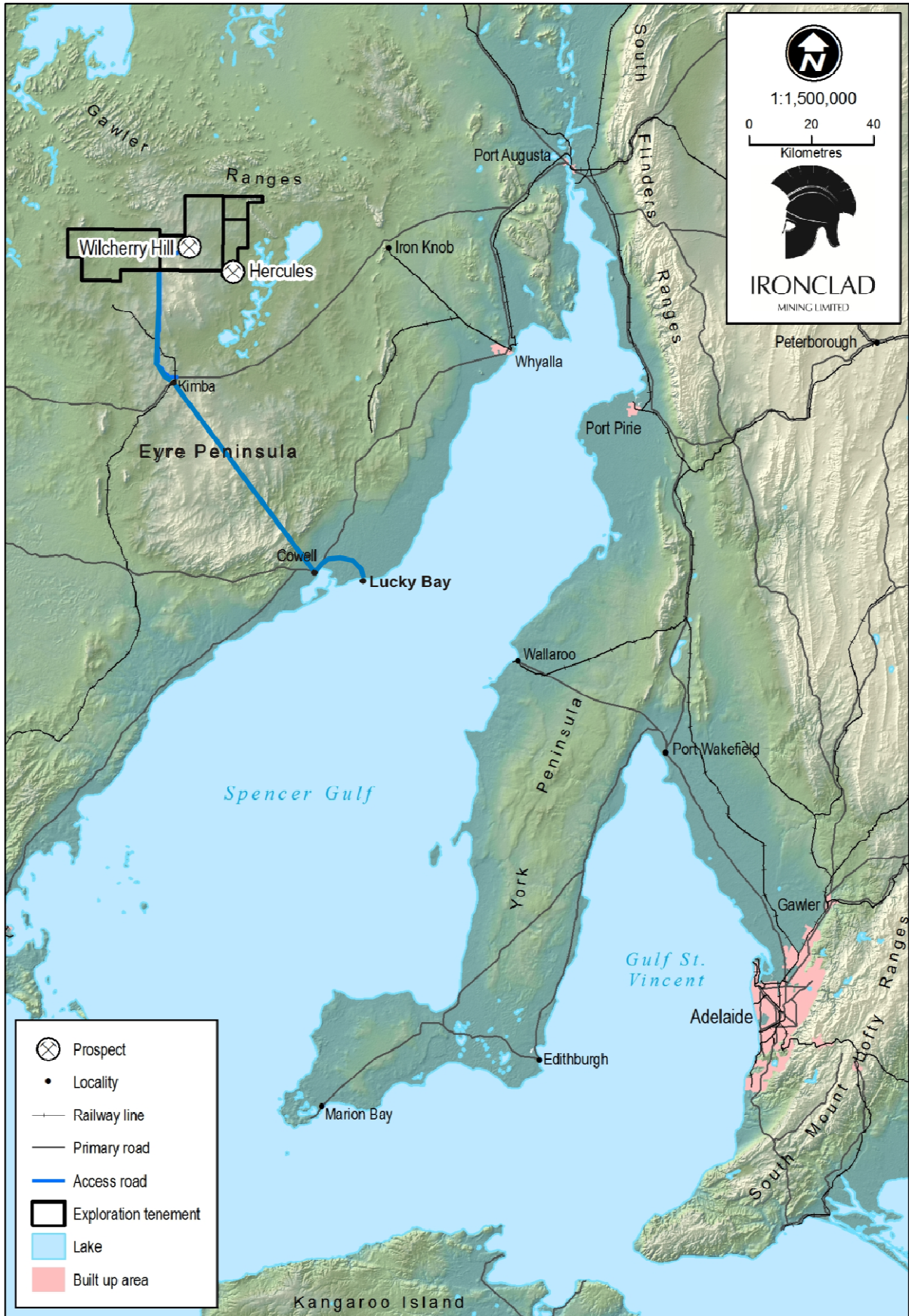


Figure 2: Location of Lucky Bay

The multi user port and floating harbour will provide an important export point and significant cost savings for the Wilcherry Hill Iron Ore Project Joint Venture (**the Wilcherry Hill Project is an 80:20 Joint Venture between IronClad Mining Limited and its associated company Trafford Resources Limited**), situated near Kimba on the Eyre Peninsula, and will also strengthen economic growth and employment opportunities in the region.

Stage one will see IronClad's direct shipping magnetite ore (DSO) transported by road from Wilcherry Hill in customised containers to its harbour side facility. In the first instance, the containers will be loaded onto a specially designed barge and powered by tug to waiting Panamax size vessels anchored 5–6 kms offshore. Onboard cranes will load the ore by tipping the containers into the holds. The Company has purchased the tug which is currently being fully refurbished in Queensland. Construction of the purpose built barge will commence soon.

Stage one loading will be augmented in 2012 by the addition to the fleet of a powered feeder vessel capable of delivering up to 12,000 tonnes per day. The design of the feeder vessel will be compatible to its eventual role as feeder to IronClad's proposed floating harbour. In all, two feeder vessels are planned for completion by the time the floating harbour is commissioned.

Stage two transshipment of ore will commence from Lucky Bay when the proposed floating harbour is commissioned. It will anchor approximately 10 kms offshore and will be capable of docking full cape size (150,000 tonne capacity) vessels.

A negatively pressurised storage shed will be constructed onshore from which the two feeder vessels will ferry ore. The floating harbour will have the onboard capacity to store up to 100,000 tonnes of ore, also in a negatively pressurised environment. With two feeder vessels delivering a further total of 24,000 tonnes per day, a fast loading time of around 4 days can be anticipated

Design of the floating harbour has commenced, and once construction begins it is anticipated the build time will be approximately 18 months. Commissioning will be aimed to coincide with upgraded throughput from the mine in late year two or early year three.

The South Australian Government has supported the multi-user harbour concept under Section 49 of the Development Act, facilitating approvals for infrastructure projects considered essential to the South Australia's development. Sea Transport Corporation is currently preparing a comprehensive development application utilising key design and environmental impact assessment specialists, and final government approval for the port is anticipated towards the end of the year.

The Wilcherry Hill project will begin life as a relatively small project by iron ore industry standards, however, it will be producing a premium grade product and is planned for rapid expansion in three stages to a total production target of over 10 million tonnes of iron ore a year.

As previously announced the Mining Lease Proposal (MLP) prepared by IronClad in conjunction with Coffey Environments was submitted to the South Australian Mines Department (PIRSA). Approval of the Mining Lease was expected in September; the Company was pleased to announce the South Australian Government's approval of the MLP on 17th October 2011. The MLP will be followed by submission of the Company's Program for Environmental Protection and Rehabilitation (PEPR) (formerly, Mining and Rehabilitation Program - MARP) with full approval expected during December 2011. First mining is expected to commence in the fourth quarter 2011 with first shipments early 2012.

For personal use only

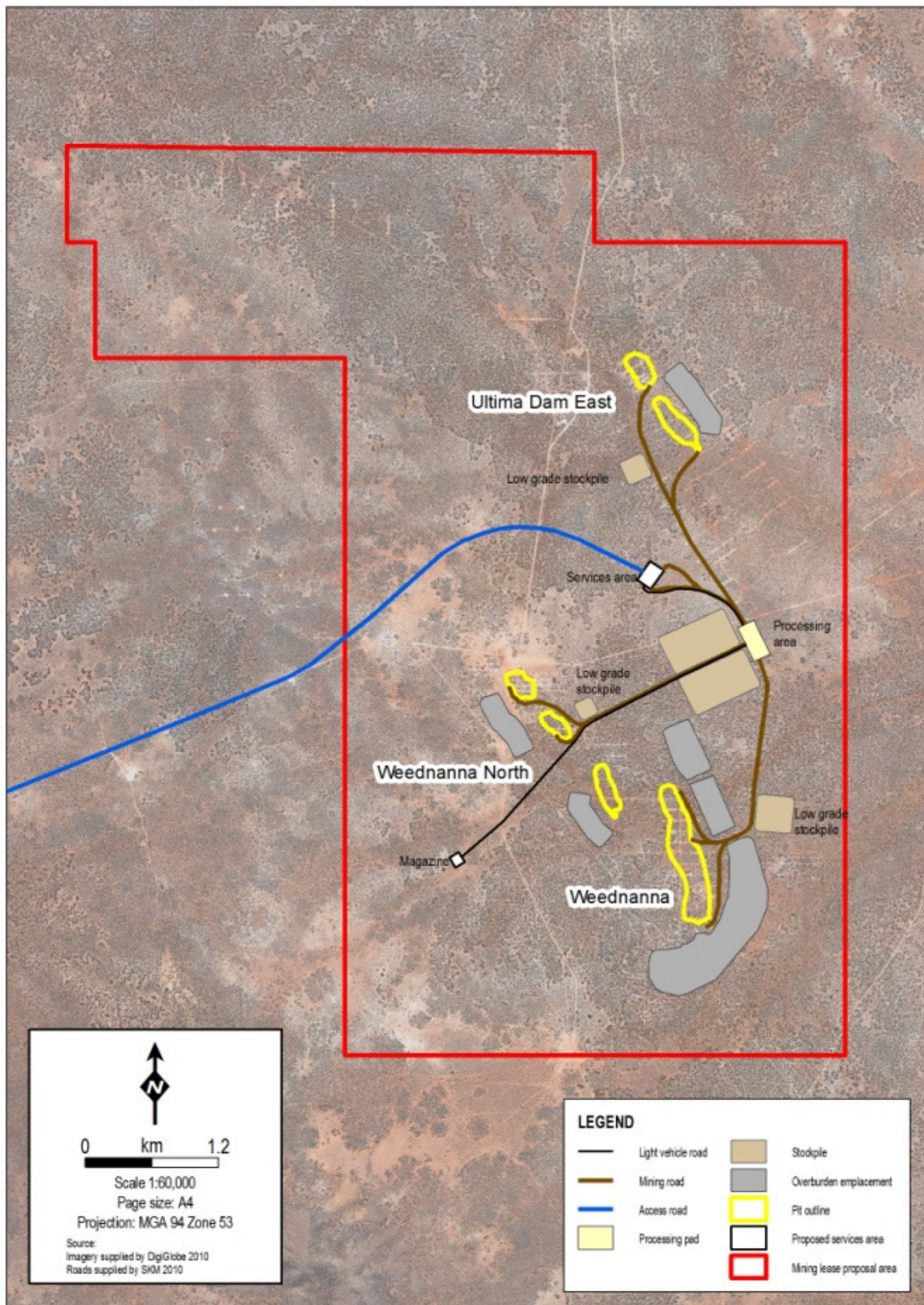


Figure 3: Map of Wilcherry Hill Mining Lease Application

About the Project

The Wilcherry Hill Iron Ore Project is being developed to begin production of premium quality, Direct Shipping Ore (DSO) for sale to Chinese steel mills. Production is scheduled to begin in the fourth quarter 2011, ramping up to 2 million tonnes per year of the premium product.

Sale of the first two years of production from stage one of the project have already been secured under a comprehensive sales contract and marketing agreement between IronClad and OM Materials Pte Ltd of Singapore, a subsidiary of OM Holdings Limited (OMH). OM Materials will ship the ore to a stockpile in southern China (Figure 4) for sale directly to the steel mills at prices mutually established from several world iron ore pricing indices.



Figure 4: Iron Ore stockpiles in Southern China

Corporate

IronClad Mining has released its Annual Report which is available for download on both the IronClad and ASX websites.

During the quarter 3,000,000 unlisted options in the company exercisable at \$3.00 lapsed.

As announced during the July 2011 quarter and in the final statement on the 5th of April, Ironclad successfully completed a non-renounceable rights issue on 31st March 2011 to raise \$11.3 million from a rights issue of 15,132,969 shares at 75c per share on the basis of one IronClad share and one free attaching option for every four shares held. The free attaching option is exercisable at 75c on or before 30th March, 2012.

For personal use only

The funds will be used for ongoing construction and fabrication for the \$26 million start-up of the Wilcherry Hill Iron Ore Project, including the securing of long lead time items. Production is expected to commence in the final quarter 2011.

The successful conclusion of the rights issue means that IronClad has raised approximately \$17 million (since December 2010) of the \$26 million start-up capital outlined as being required in the feasibility study. Current trends in China's iron ore consumption and the robust nature of the Wilcherry Hill project means it is anticipated that most of the remaining capital requirement would be satisfied from debt facilities and repaid from production.

Several local and overseas financial institutions have expressed a strong interest in providing finance for the project. The Company has appointed PCF Capital Group Pty Ltd to manage the financing



Ian Finch
Chairman
Tel: 08 9485 1040

Competent Person Statement

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