

ASX RELEASE

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HONG KONG GROUP'S \$6M INVESTMENT

IN AUSTRALIAN IRON ORE DEVELOPER

A global investment group has taken a \$6 million share placement in IronClad Mining (ASX: IFE) - the developer of the new Wilcherry Hill iron ore mine in South Australia.

IronClad – which starts work this month on development of the new Eyre Peninsula mine – announced today that it had raised \$6 million through the placement of 7.5 million shares with Hong Kong-based resources industry investor, New Page Investments Limited.

The agreed price for the placement is 80 cents per share, which represents a premium of 20% on the 10th January 2012 closing price of 66.5 cents for IronClad shares on the Australian Securities Exchange.

IronClad's Executive Chairman, Mr Ian Finch, also advised today that the Company was close to formalising another off-take agreement for production from the Wilcherry Hill project.

Mr Finch said negotiations for the additional off-take agreement were expected to be finalised later this week and would involve 50% of all iron ore produced by the IronClad-Trafford Resources joint venture in the first four years of operations.

New Page Investments is the major shareholder in China-based global steel trading, distribution, processing and manufacturing company, Novo Group Ltd, which is dual-listed on the Hong Kong and Singapore stock exchanges, and already has investments in the Australian iron ore industry.

Today's share placement follows the SA Government's Christmas Eve announcement of formal approval for IronClad's Program for Environmental Protection and Rehabilitation (PEPR) – formerly known as the Mining and Rehabilitation Plan (MARP) – the final statutory hurdle for the project.

"The successful conclusion of this share placement marks another significant milestone in what will be a defining year for the Company and its shareholders, and in the development of our Wilcherry Hill asset," Mr Finch said.

"Funds raised by the New Page share placement will be used to finance start-up works at the Wilcherry Hill site – due to commence later this month after the imminent awarding and signing of key infrastructure and mining contracts," he said.

Maiden production from the mine is due to commence in the current March quarter, with the first shipment of iron ore on track to be exported to Chinese customers in the June quarter.

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About New Page Investments Limited

New Page, the major shareholder in global steel trading, distribution, processing and manufacturing company, China-based Novo Group Ltd - already has iron ore industry investments in Australia.

Novo Group Ltd, which is dual-listed on the Hong Kong and Singapore stock exchanges, is a global steel trading, distribution, processing and manufacturing company that provides comprehensive services throughout the steel value-chain.

The Group serves a diverse range of customers that include distributors, end-users, importers, integrated steel mills, rerolling mills, de-coiling centres or processing factories, and stockists from over 30 countries.

Its suppliers are iron ore mines, steel mills and other steel producing companies that supply high quality steel products and related raw materials at competitive pricing.

Among the top 40 steel producing companies in the world, over half of them are Novo's partners.

About the Wilcherry Hill iron ore project

The Wilcherry Hill iron ore project – an 80:20 Joint Venture between IronClad and its associated company, Trafford Resources Limited (ASX-TRF)– is on track to commence shipments of Direct Shipping Ore (DSO) for sale to Chinese steel mills in the second quarter of the 2012 calendar year.

The first two years of production from Stage One of the Wilcherry Hill project has already been sold to the Chinese steel mills under a comprehensive sales contract and marketing agreement.

Mr Finch said Stage One of the project involves production of one million tonnes per annum (Mt pa) of DSO for export to Asia, increasing up to 2 Mt pa in the second year.

Stage Two involves an increase in production to 5 Mt of iron ore concentrate per annum.

Stage Three includes the exploration and development of the joint venture's separate Hercules Project, 15 kilometres south east of Wilcherry Hill, which has an inferred and indicated JORC classification of 198 Mt, and is expected to increase output of the operation to 10-12 Mt pa by 2015.

Mr Finch said a feasibility study for Stage One of the project established that, with an average iron ore price of A\$140 per tonne FOB (net of freight charges) into China and initial operating costs of around A\$85 per tonne, the project would provide IronClad with strong margins of approximately A\$50 per tonne and an operating cash flow of around A\$80 million per year at full production during the first stage.