



IRONCLAD

MINING LIMITED

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31st January 2012

Quarterly Report to 31st December 2011

Approval of Mining Lease Proposal and Mining Lease Offer

Ironclad Mining Ltd (ASX: IFE) (IronClad or “the Company”) took a significant step forward in October following the South Australian Government’s approval of the Mining Lease Proposal (MLP) for its Wilcherry Hill Iron Project in South Australia. The MLP was prepared in conjunction with Coffey Environments over a two-year period and submitted to the SA Government in 1st Quarter 2011. Following a period of public consultation and technical assessment a mining lease was offered to the Company on 17 October 2011

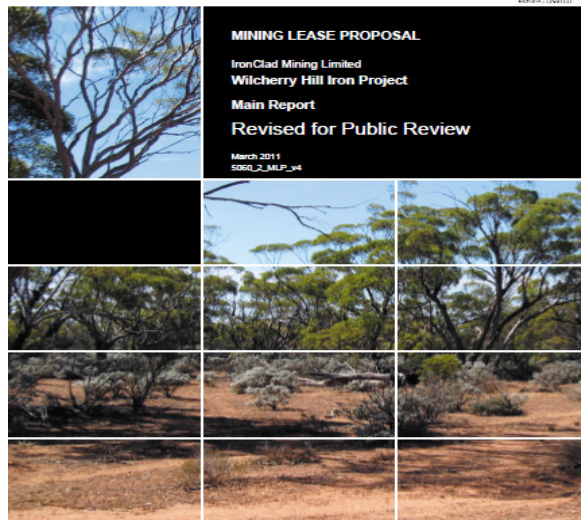


Figure 1: MLP front cover

Program for Environmental Protection and Rehabilitation

The MLP was the first step in a two-step approval process, the second step being the submission and approval of the Program for Environmental Protection and Rehabilitation (PEPR). This PEPR was submitted to the SA Government on schedule at the end of October 2011, and approved on the 23rd of December 2011.

The approval of the PEPR marks the successful end of the State approvals process and is a historic event for IronClad Mining as it transforms from a small Australian exploration company into a global mining company.

IronClad thanks the SA Government, the community of the Eyre Peninsula, and all stakeholders and shareholders for the encouragement and support during the approvals process.

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Project Progress

The announcement of MLP and PEPR approvals now paves the way for construction of infrastructure at the mine. This is due to commence as soon as possible. The mine is expected to be in production within the first quarter of 2012. Shipments of Direct Shipping Ore (DSO) for sale to Chinese steel mills are expected to commence in the second quarter of 2012. The first two years of premium ore have already been sold.

Key Contracts Prepared and Ready to be Executed

In anticipation of a construction start in early 2012 all contracts have been prepared and are now ready for signing. These include the mining contract, the processing contract and the ore transportation contract.

Completion of 80-Person Accommodation Village

The second stage of construction at the accommodation village located in Kimba was completed on schedule and on budget in December 2011. This second stage takes the facility from a 40-person to an 80-person camp. The facility now includes en-suite accommodation, mess and recreation facilities, as well as access to satellite television and broadband internet for all village residents. The expansion has been timed to coincide with the influx of construction workers for a construction start in the New Year.



80 person village
High Quality, Low Density, Aesthetic housing

Figure 2: Accommodation Village at Kimba

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Construction of Tug and Barge Progresses

The Stage 1 operations at Lucky Bay will operate using a tug and barge process to take freight containers of ore to the transshipment point some 10 km offshore where they will be unloaded into the hold of the transport vessel. To achieve this, a tug was purchased earlier this year and has been refitted and successfully sea trialled. The barge is currently under construction in China and is on target to be completed on schedule within the 1st quarter of 2012, ready for 1st shipment in the second quarter of 2012.



LUCKY BAY STAGE 1 TUG BOAT PURCHASED



Results of IronClad Mining Limited – Annual General Meeting

All resolutions put to the Annual General Meeting of Shareholders on 28th November 2011 were passed unanimously by a show of hands.

Subsequent Events

The Company raised \$6 million upon the successful placement of 7,500,000 ordinary shares with Hong Kong based resources industry investor, New Page Investments Limited, at an agreed price for the placement at 80 cents per share. Subsequent to the placement, The Wilcherry Hill Iron Ore Joint Venture, in which the Company has an 80% interest, entered into an additional off-take agreement for 50% of all iron ore produced in the first four years of operations.

Ian Finch
Chairman
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