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## ASX RELEASE

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### INVESTOR SUPPORT CONTINUES FOR IRONCLAD WITH FURTHER \$3 MILLION CAPITAL RAISING

IronClad Mining Limited (ASX: IFE) has continued its successful self-funding policy for development of its Wilcherry Hill iron ore project in South Australia with the announcement today of a further \$3 million capital raising.

Proceeds of the latest raising - a placement of 3,500,000 shares at 85c per share to a number of sophisticated Australian investors - will be used, together with funds IronClad already has at hand, to pay a \$5.8 million environmental bond to the South Australian Government for the Company's Wilcherry Hill project in S.A.'s Eyre Peninsula.

Payment of the bond is part of the process required for IronClad to begin mining under its Program for Environmental Protection and Rehabilitation (PEPR), approved by the SA Government late last year.

The \$2.975 million share placement was organised by Cygnet Capital, and follows a \$6 million placement in January to global investment group, New Page Investments Limited.

IronClad believes a further \$11 million may be raised by the end of March, with options in the Company - expiring on 30 March 2012 – likely to be exercised by increasingly strong support from investors,

“Growing national and international investor interest in our Company and our Joint Venture partner in the Wilcherry Hill project, Trafford Resources, is providing substantial support for the companies and their shareholders,” IronClad Mining Non-Executive Chairman, Mr Ian Finch, said today.

“The funds from this capital raising, together with other cash the Company already has, will be used to pay the S.A. Government's environmental bond, for Wilcherry Hill, which remains on target to commence maiden production in the current March quarter,” he said. “Since a number of the ‘early works’ capital costs have already been spent – including construction of our \$5 million accommodation village at nearby Kimba - most of the requirements for Stage One of the project have now been achieved”.

“Debt financing through Australian and international financial institutions is expected to be in place over the next few months”.

“This will allow us to fast track the next stage of our project – the designing and construction of the gravity circuit”.

“It will also allow us to commence feasibility studies on our massive Hercules project, in close proximity to Wilcherry Hill, which is the long term future of the Company”.



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Mr Finch said Stage One of the Wilcherry Hill project is on target to commence maiden production in the current March quarter, with inaugural exports to be achieved in the June quarter of this year.

He said the Company expected to export about one million tonnes in its first full year of production, increasing to two million tonnes in its second year.

Thereafter, IronClad expects to steadily increase production to between 10-12 million tonnes per annum by 2016, Mr Finch said.

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**About the Wilcherry Hill iron ore project**

The Wilcherry Hill iron ore project – an 80:20 Joint Venture between IronClad Mining Limited (ASX – IFE) and its associated company, Trafford Resources Limited (ASX-TRF) – is on track to commence shipments of Direct Shipping Ore (DSO) for sale to international 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 been sold to the steel mills under a comprehensive sales contract and marketing agreement.

Additionally, 50% of year 3 and 4's forecast production has been contracted for sale through an off-take agreement with Hong Kong based company New Page Investments Limited.

Stage One of the project involves production of one million tonnes per annum (Mtpa) of DSO magnetite, increasing to 2 Mtpa in the project's second year of operation.

Stage Two of the Wilcherry Hill Project involves a further increase in production to 4 to 5 Mtpa of iron ore by combining Wilcherry Hill magnetite concentrate with the DSO product.

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 from Ironclad's operations to 10-12 Mtpa by 2015.

- The target potential has been calculated from a combination of analyses of all historical (previous explorers) and exploration drilling by IronClad Mining since 2008.
- Estimation of the extent of probable in-ground resource potential of 40 km of known strike length of magnetic anomalies throughout the total tenement area of 976 km<sup>2</sup>. The current indicated and inferred resource shows that both the Wilcherry Hill and Hercules areas have the potential in-ground resource of 15 Mt skarn magnetite for every 1 km strike length of magnetic anomaly.
- IronClad Mining acknowledges that the potential quantity and grade of the in-ground extension to the resource is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

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