

December 19, 2012

Successful Completion of Initial Drill Program at Black Hills West and Zealous Prospects

HIGHLIGHTS

- **Identification of a new zone of near surface hematitic mineralisation at the Black Hills West Prospect with several continuous zones of >60% Fe encountered including:**
 - 36.0m at 56.97% Fe including 8.0m at 60.61% Fe and 12.0m at 60.08% Fe
 - 38.0m at 55.76% Fe including 13.0m at 60.21% Fe
- **Goethite iron mineralisation intersected over a strike length of 150m at the Zealous Prospect with significant intercepts of:**
 - 31.0m at 47.92% Fe including 6.0m at 57.58% Fe
 - 6.0m at 54.73% Fe
- **Follow up drilling planned prior to the Christmas break to test for extension to mineralisation.**

The Directors of Ironclad Mining Limited (ASX:IFE) are pleased to provide a further update on the initial drilling program conducted at the Black Hills West and Zealous Prospects within the Wilcherry Hill Project. The Wilcherry Hill Project is an 80% / 20% Joint venture with Trafford Resources Ltd (ASX ; TRF).

An initial round of exploratory drilling has now been completed at the company's Black Hills West and Zealous Prospects. The program consisted of twenty seven (27) reverse circulation drill holes for a total of 1,452m. (Refer to Appendix A for a detailed drill results). The drilling was aimed at investigating the potential for economic deposits of iron rich lateritic lag or near surface outcrop areas suitable for Direct Shipping Ore (DSO) mining.

Drilling at the Black Hills West Prospect has identified a zone of near surface hematitic mineralisation grading at depth to a more magnetite dominant mineralisation. Continuous zones of greater than 60% Fe were intersected. The mineralisation style observed is similar to the skarn style observed at the Company's Weednanna and Ultima Dam East Prospects. This initial drilling program tested a 100m strike extent and 50m depth extent with a true width of approximately 10 – 20m. DSO grades have been encountered and further drilling is planned prior to the Christmas break to test for possible extensions to this mineralisation.

The iron mineralisation drilled at Black Hills West Prospect is associated with a strong magnetic anomaly. A similar intensity magnetic anomaly occurs 200m to the east. With the success in delineating near surface hematite / magnetite mineralisation, geophysical modelling is now planned to assess the potential for more extensive primary iron mineralised bodies.

Significant intercepts discovered at the Black Hills West Prospect are listed in Table 1 below.

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HOLE_ID	DEPTH (m)		INTERVAL	FE%	SiO2%	Al2O3%	P%	S%	LOI%
	FROM	TO	(m)						
12BWRC001	28.0	34.0	6.0	57.94	7.73	3.99	0.088	0.031	4.61
12BWRC002	13.0	37.0	24.0	55.21	7.76	6.02	0.068	0.033	6.46
<i>including</i>	<i>25.0</i>	<i>37.0</i>	<i>12.0</i>	<i>57.70</i>	<i>6.45</i>	<i>4.58</i>	<i>0.082</i>	<i>0.022</i>	<i>5.67</i>
12BWRC003	37.0	55.0	18.0	52.26	13.19	3.61	0.052	0.010	5.26
12BWRC004	36.0	51.0	15.0	55.93	8.16	3.75	0.159	0.016	6.79
<i>including</i>	<i>42.0</i>	<i>48.0</i>	<i>6.0</i>	<i>59.57</i>	<i>6.25</i>	<i>1.98</i>	<i>0.143</i>	<i>0.013</i>	<i>5.45</i>
12BWRC012	12.0	48.0	36.0	56.97	7.07	4.25	0.093	0.018	6.01
<i>including</i>	<i>19.0</i>	<i>27.0</i>	<i>8.0</i>	<i>60.61</i>	<i>4.45</i>	<i>3.22</i>	<i>0.096</i>	<i>0.016</i>	<i>4.65</i>
<i>including</i>	<i>32.0</i>	<i>44.0</i>	<i>12.0</i>	<i>60.08</i>	<i>5.97</i>	<i>2.80</i>	<i>0.076</i>	<i>0.011</i>	<i>4.24</i>
12BWRC013	22.0	50.0	38.0	55.76	9.12	3.92	0.070	0.013	4.68
<i>including</i>	<i>28.0</i>	<i>41.0</i>	<i>13.0</i>	<i>60.21</i>	<i>5.81</i>	<i>2.88</i>	<i>0.074</i>	<i>0.012</i>	<i>4.17</i>
12BWRC014	30.0	44.0	14.0	52.01	14.50	3.28	0.161	0.014	6.29
<i>including</i>	<i>36.0</i>	<i>43.0</i>	<i>7.0</i>	<i>60.16</i>	<i>4.93</i>	<i>2.25</i>	<i>0.158</i>	<i>0.011</i>	<i>5.15</i>

Table 1. Black Hills West Prospect. Significant Intercepts at 50% Fe cut off and 5m or greater downhole width.

Intercepts of goethite dominant iron mineralisation have been recorded at the Zealous Prospect. Of the holes currently drilled, 6 have intersected goethitic mineralisation. A vertical to steep dip to the west / east is suggested with a North West strike. Mineralisation intersected at the Zealous Prospect has a strike length of 150m and a true width of 15 – 20m and is open to the north and south and at depth. Further drilling is warranted to outline additional ore for gravity processing feed.

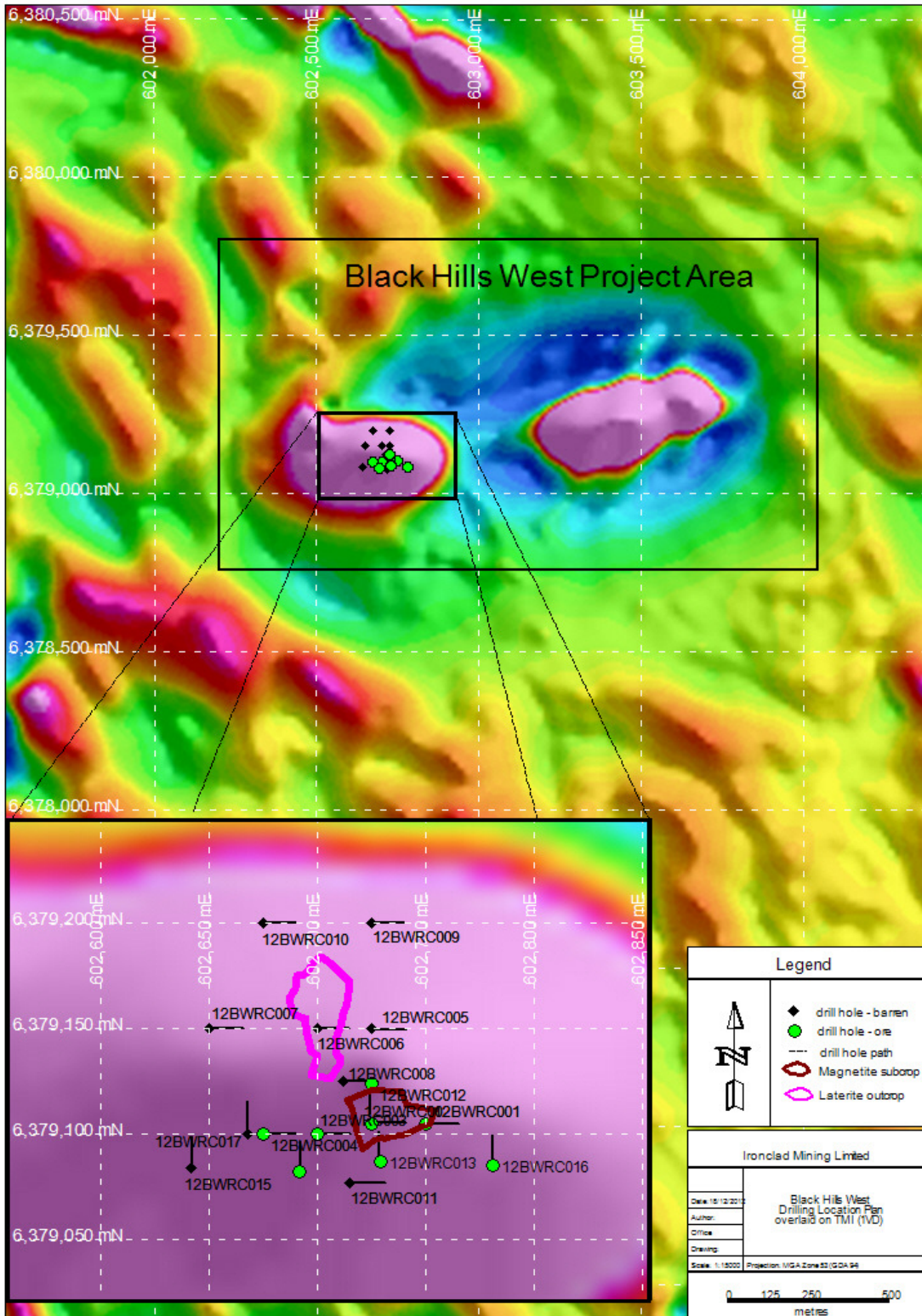
Significant intercepts discovered at the Zealous Project of down hole widths greater than 5m are listed below in Table 2.

HOLE_ID	DEPTH (m)		INTERVAL	FE%	SiO2%	Al2O3%	P%	S%	LOI%
	FROM	TO	(m)						
12ZLRC001	15.0	20.0	5.0	53.14	5.83	4.42	0.115	0.054	11.95
12ZLRC001	23.0	28.0	5.0	51.61	6.01	5.25	0.180	0.110	13.01
12ZLRC002	39.0	54.0	15.0	49.85	7.93	5.55	0.272	0.168	13.29
12ZLRC006	8.0	14.0	6.0	54.73	5.86	3.60	0.082	0.046	11.01
12ZLRC006	25.0	56.0	31.0	47.92	9.97	7.62	0.117	0.099	12.45
<i>including</i>	<i>32.0</i>	<i>38.0</i>	<i>6.0</i>	<i>57.58</i>	<i>2.85</i>	<i>2.16</i>	<i>0.092</i>	<i>0.046</i>	<i>11.54</i>
12ZLRC007	40.0	61.0	21.0	46.94	12.37	5.80	0.192	0.141	12.20
12ZLRC009	41.0	46.0	5.0	53.00	5.12	4.58	0.127	0.130	13.14

Table 2. Zealous Prospect. Significant Intercepts at 45% Fe cut off and 5m or greater downhole width.

Ironclad's Chief Executive Officer, Robert Mencil today said:

"We are very encouraged by the results of this initial drilling program as it confirms the potential for these two prospects and further illustrates the underexplored nature of the wider tenement package. In particular the results from the drilling at the Black Hills West Prospect are very exciting with the identification of high grade skarn style mineralisation similar to that of the Weednanna and Ultima Dam East Prospects.. We look forward to updating the market following the next round of drilling."



• **Figure 1. Black Hills West Project Area Location and Drillhole Layout**



Ian D. Finch
Chairman
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Competent Person Statement

The information in this announcement that relates to geological results and Mineral Resource estimates is based on information compiled by Chris Mroczek, 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 the Chief Geologist of the Company.

Mr. Mroczek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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. Mroczek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendices: Supporting Information

The drillhole information contained in this appendix relates to the drilling completed by Ironclad at its Black Hills West and Zealous Prospects between 8th November and 4th of December 2012.

Ten (10) reverse circulation drillholes were drilled for a total of 533m at the Zealous Prospect. Drillhole collar information is listed in Table A1. The location plan can be found in the 12th December 2012 IFE ASX release.

Seventeen (17) reverse circulation drillholes were drilled for a total of 919m at the Black Hills West Prospect. Drillhole collar information is listed in Table A2 and shown on Figure 1.

The co-ordinate system is MGA94_53.

The drilling method was reverse circulation using a 4.5" hammer. Nine holes at the Zealous Prospect were drilled at an angle of 60° to the East with one drilled to the west.

At Black Hills West Prospect all thirteen holes were initially drilled at an angle of 60° to the East. During the course of the drilling, geological results suggested an east – west striking mineralised system resulting in five holes being drilled at 60° to the north and one to the south.

The sampling interval in ore was 1m with sub-samples for assays split using a 2 tier riffle splitter. Analysis of the sub-samples was carried out at Bureau Veritas Laboratory. Analysis was carried out using XRF for a routine suite of 11 elements and a gravimetric method was used to analyse LOI (loss on ignition). The components analysed by XRF Al₂O₃, CaO, Fe, K₂O, MgO, MnO, Na₂O, P, S, SiO₂, TiO₂.

Assay information based on a 30% Fe cut off is listed in Table B1 for Zealous Prospect and Table B1 for Black Hills West Prospects. Assays of 30% Fe and above are regarded as significant from an exploration perspective in delineating potential zones of direct shipping ore and mineralisation with the potential to be upgraded via beneficiation processes.



Appendix A: Drillhole Collar Information

HOLE_ID	DEPTH(m)	EASTING	NORTHING	HEIGHT	DIP	AZIMUTH
12ZLRC001	48	642650	6386000	258	-60	90
12ZLRC002	54	642625	6386000	258	-60	90
12ZLRC003	42	642650	6386050	258	-60	90
12ZLRC004	42	642625	6386050	258	-60	90
12ZLRC005	48	642600	6386100	259	-60	90
12ZLRC006	66	642575	6386100	259	-60	90
12ZLRC007	63	642600	6386045	258	-60	90
12ZLRC008	60	642555	6386100	259	-60	90
12ZLRC009	59	642611	6386090	259	-60	270
12ZLRC010	51	642575	6386150	259	-60	90

Table A1. Zealous Prospect Drill Hole Collar Information

HOLE_ID	DEPTH (m)	EASTING	NORTHING	HEIGHT	DIP	AZIMUTH
12BWRC001	52	602750	6379105	207	-60	90
12BWRC002	57	602725	6379105	207	-60	90
12BWRC003	55	602700	6379100	207	-60	90
12BWRC004	52	602675	6379100	207	-60	90
12BWRC005	54	602725	6379150	208	-60	90
12BWRC006	54	602700	6379150	207	-60	90
12BWRC007	54	602650	6379150	206	-60	90
12BWRC008	58	602712	6379125	208	-60	90
12BWRC009	54	602725	6379200	208	-60	90
12BWRC010	54	602675	6379200	207	-60	90
12BWRC011	60	602715	6379077	205	-60	90
12BWRC012	50	602725	6379124	208	-60	180
12BWRC013	55	602729	6379087	205	-60	0
12BWRC014	54	602692	6379082	205	-60	0
12BWRC015	60	602642	6379084	205	-60	0
12BWRC016	36	602781	6379085	205	-60	0
12BWRC017	60	602668	6379100	207	-60	0

Table A2. Black Hills West Prospect Drill Hole Collar Information



Appendix B: Significant Assay Intercepts at greater than 30% Fe.

HOLE_ID	DEPTH (m)		INTERVAL	FE%	SiO2%	Al2O3%	P%	S%	LOI%
	FROM	TO	(m)						
12ZLRC001	14.0	28.0	14.0	46.00	10.97	8.46	0.134	0.081	12.31
12ZLRC002	38.0	54.0	16.0	49.55	8.30	5.67	0.266	0.167	13.24
12ZLRC003	No significant intersections above 30% Fe								
12ZLRC004	No significant intersections above 30% Fe								
12ZLRC005	No significant intersections above 30% Fe								
12ZLRC006	8.0	17.0	9.0	51.54	8.17	5.57	0.066	0.056	11.25
12ZLRC006	25.0	62.0	37.0	45.20	12.58	8.78	0.118	0.102	12.48
12ZLRC007	23.0	62.0	39.0	42.29	16.41	8.50	0.162	0.129	12.01
12ZLRC008	50.0	60.0	10.0	37.85	16.82	12.17	0.200	0.190	14.83
12ZLRC009	31.0	59.0	28.0	39.79	15.73	12.54	0.128	0.119	13.14
12ZLRC010	No significant intersections above 30% Fe								

Table B1. Zealous Prospect. Significant Intercepts above 30% Fe cut off.

HOLE_ID	DEPTH (m)		INTERVAL	FE%	SiO2%	Al2O3%	P%	S%	LOI%
	FROM	TO	(m)						
12BWRC001	27.0	41.0	14.0	46.78	16.34	7.35	0.139	0.062	7.97
12BWRC002	11.0	37.0	26.0	54.02	8.50	6.61	0.068	0.038	6.81
12BWRC003	31.0	55.0	24.0	45.89	18.36	6.29	0.084	0.015	6.68
12BWRC004	33.0	52.0	19.0	52.61	11.11	4.84	0.168	0.019	7.39
12BWRC005	No significant intersections above 30% Fe								
12BWRC006	No significant intersections above 30% Fe								
12BWRC007	No significant intersections above 30% Fe								
12BWRC008	No significant intersections above 30% Fe								
12BWRC009	No significant intersections above 30% Fe								
12BWRC010	No significant intersections above 30% Fe								
12BWRC011	No significant intersections above 30% Fe								
12BWRC012	1.0	50.0	49.0	50.21	11.93	6.69	0.076	0.022	7.96
12BWRC013	22.0	50.0	28.0	55.76	9.12	3.92	0.070	0.013	4.68
12BWRC014	30.0	53.0	23.0	47.75	18.82	3.30	0.157	0.014	6.84
12BWRC015	No significant intersections above 30% Fe								
12BWRC016	27.0	36.0	9.0	39.79	24.61	9.81	0.099	0.071	6.29
12BWRC017	No significant intersections above 30% Fe								

Table B2. Black Hills West Prospect. Significant Intercepts above 30% Fe cut off.