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HD **IronClad could start Wilcherry Hill by November**

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Australian developer IronClad **Mining** could begin **mining** at its Wilcherry Hill project in South Australia by November if a deal is agreed with Arrium to sell the project's direct shipping **ore** at the mine gate, the **company** said Thursday.

"A potential 'mine gate' **sale** to Arrium provides IronClad with a low capital start up option. Arrium have been receptive to the concept and discussions are ongoing," IronClad said in a statement.

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IronClad had been in discussions with several banks, trading houses and end users in **China**, Japan, Korea and India about securing financing for the project. However, most third parties have placed discussions on hold given the rapid decline in **iron ore** prices, the **company** said.

IronClad began discussions with Arrium in August about mine-gate sales, which would see it truck around 400,000-500,000 mt/year to Arrium's **Iron** Knob mine 140 km away, from where it would be transported to Whyalla port.

If **mining** at the trial pit commences in November, IronClad expects exports would then begin in the January-March quarter 2015.

The Wilcherry Hill project is an 80:20 joint venture between IronClad and Trafford Resources. It has the potential to produce 1 **million** mt/year of **iron ore** in its first stage before increasing to 2 **million**-4 **million** mt/year in the second stage. Wilcherry Hill also has a large manganese resource, which the **company** was planning to have in production by 2015, but a **company** spokesman said Thursday these plans have now been pushed back due to the lower **iron ore** price environment.

"The manganese still requires a lot of exploration dollars and in this market it's high risk, so this won't come on until phase 2 in around five or six years time," he said. "Our priority is to get a high quality **iron ore** to market as there's serious discounting from sub 62% Fe **iron ore** in the current market," he added.

Wilcherry Hill has the potential to produce up to 1 **million** mt/year of manganese.

Marnie Hobson

CO inclad : IronClad Mining Limited | onestl : Arrium Limited | trfaus : Trafford Resources Ltd

IN i22 : Primary Metals | i222 : Steel Products | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

IPD Production

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