

Quarterly Activities Report

Ending 30 June 2010

“Moving towards production”



HIGHLIGHTS DURING AND SUBSEQUENT TO THE JUNE QUARTER

1. Ironbark progresses feasibility study

The largest field season ever undertaken at Citronen is progressing on schedule and budget. Ironbark hopes to complete the feasibility study towards the end of 2010.

Drilling, which is ongoing, has returned excellent results including:

CF10-256: **10m at 12.5%** zinc from 94.5m
CF10-215: **5.4m at 12.3%** zinc from 122m
CF10-211: **5m at 12.7%** zinc from 132m
CF10-213: **7.5m @ 10.2%** zinc from 130m
CF10-210: **5m at 10.2%** zinc from 130m

2. Captains Flat Joint Venture - Renegotiated

Ironbark personnel commenced the site works for the largest field season yet conducted at Citronen targeting the completion of the Definitive Feasibility Study towards the end of 2010.

3. About Citronen

A summary of the Citronen project and JORC compliant resource tables.

Ironbark Zinc Limited (Ironbark) is pleased to report to its shareholders the progress from the Citronen Base Metal Project (Citronen) and remains focused on developing Citronen to become a major base metal producer. The Company remains well funded and well placed to progress the development of Citronen culminating in the targeted completion of a Definitive Feasibility Study towards the end of 2010.

1. Ironbark progresses feasibility study

Ironbark progressed on schedule and budget with the largest field campaign that has ever been undertaken at Citronen since its discovery in 1993. The field season is intensive and includes, but is not limited to:

- Geotechnical appraisal
- Metallurgical appraisal
- Dense Media Separation appraisal
- Infill and extensional drilling
- Infrastructure layout surveying
- Shipping route bathymetry
- Mining studies
- Resource studies and Q & A evaluation
- Environmental baseline surveys (the third and final)
- Environmental impact assessment
- Social impact assessment

Results from the work will be released over the season and Ironbark expects news flow to continue culminating in updated resources, reserves and the results of the Definitive Feasibility Study for one of the world's largest zinc projects.

Drilling during the quarter, which is ongoing, has returned excellent results including:

CF10-256: **10m at 12.5%** zinc from 94.5m
CF10-215: **5.4m at 12.3%** zinc from 122m
CF10-211: **5m at 12.7%** zinc from 132m
CF10-213: **7.5m @ 10.2%** zinc from 130m
CF10-210: **5m at 10.2%** zinc from 130m

Additional drill results are awaited and drilling will remain ongoing 24 hours per day until the completion of the field season in September. Lead assays have not been included at this stage but typically report on a 1:8 ratio of lead:zinc. Lead is expected to be recovered and shipped as a lead concentrate.

Importantly drill hole CF10-245 was drilled to collect geotechnical stability information for the planned decline between the Beach and Esum resource zones but encountered unexpected mineralisation. In conjunction with mineralised drill hole 63 it is possible that the Esum and lower level Beach resource form a single very large resource - see Figure 1. As geologists have identified the Esum central feeder zone located on the far Western margin it is possible that the target mineral inventory will be significantly larger than previously interpreted.

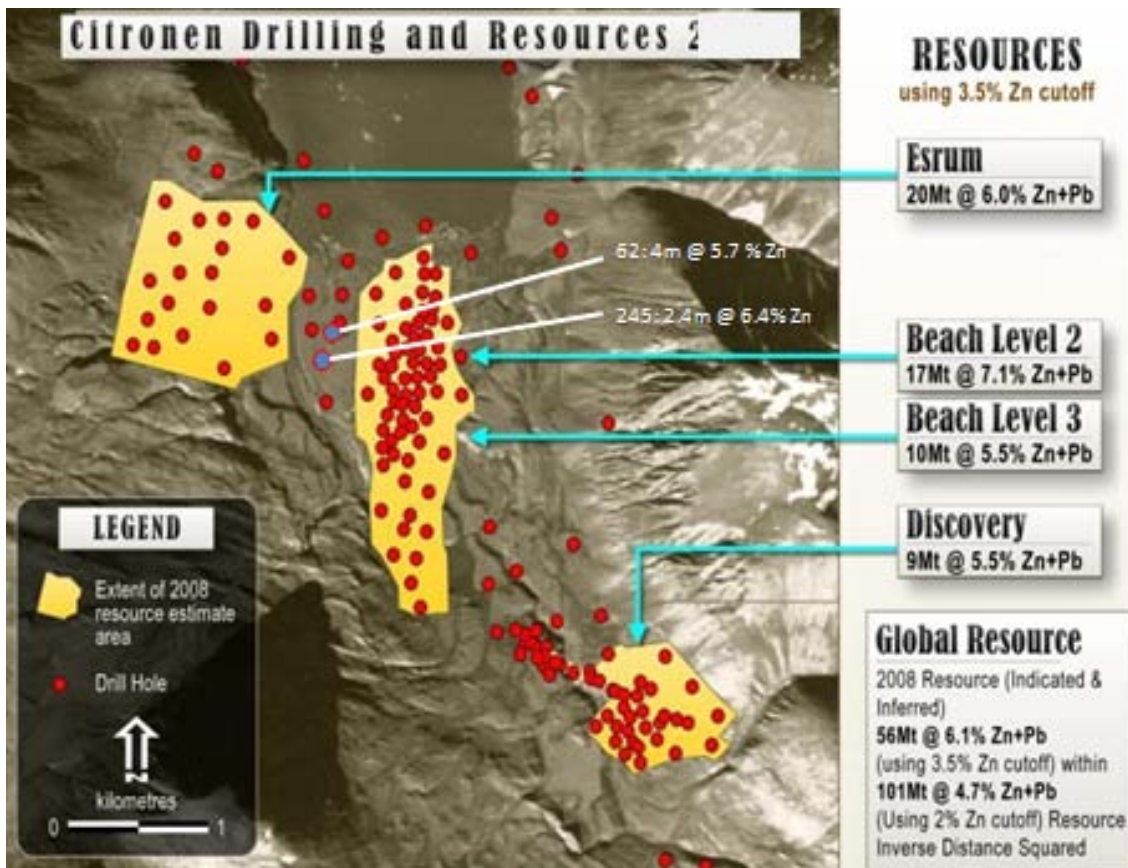


Figure 1: Mineralised drill holes located between Esum and Beach Resources

Ironbark expects to remain in a sound working capital position and no further fundraising is anticipated until major project financing. Ironbark remains committed to commencing commercial production within the next 3 to 5 years.

2. Captains Flat Joint Venture – Renegotiated

Ironbark announced that it has renegotiated the joint venture agreement between NSW Base Metals Pty Ltd (a subsidiary of Glencore International AG) and Forge Resources Limited with regards to the Captains Flat Project base metals project (Captains Flat). Ironbark and NSWBM look forward to immediately commencing work on this significant and underexplored proven high grade base metals province.

Previously Ironbark and NSW Base Metals Pty Ltd (NSWBM) were required to have completed a Bankable Feasibility Study to earn an interest in Captains Flat however a more traditional farm in agreement has been renegotiated.

Ironbark and NSWBM have become entitled to a 51% Joint Venture Interest on an equal basis and have collectively agreed to fund \$600,000 in further Exploration Operations to earn an additional 24% Joint Venture Interest.

The new Joint Venture Agreement replaces the Monaro-Ironbark-NSWBM Joint Venture Agreement.

The Captains Flat Base Metal Project is located south of Canberra in New South Wales. The Project covers a strike length of 39 kilometres of a highly endowed Volcanic Massive Sulphide (VMS) horizon that hosts numerous historic mineral occurrences and mines, including the Lake

George Mine that produced 4 million tonnes of high-grade ore until closure in 1962 (see Figure 1) and was at one time Australia's second largest producer of copper.

Within the project area prospects include the Jerangle, Lake George and Vanderbilt Hill prospects where previous explorers have returned high grade copper and zinc drill intercepts.

- **Jerangle**

The Jerangle Prospect is located at the southern end of the project area and drilling over a strike length of 1.5 kilometres has returned drill intercepts assaying up to 5.25% copper. High density soil sampling has delineated high priority exploration targets for immediate follow up.

- **Lake George Mine**

The high-grade Lake George Mine produced approximately 4Mt of ore at 10% zinc, 6% lead, 0.7% copper, 1.8 g/t gold and 55 g/t silver and remains prospective for remnant ore at current base metal prices as well as at depth where results such as 1.22m @ 12.4% zinc, 5.4% lead were returned beneath historical workings over a strike length of at least 300 metres from diamond drilling. Mineralisation is open at depth and may represent possible repeats of the historically mined areas.

- **Lake George Tailings**

Ironbark drilled 154 air core drill holes for 2,533 metres of drilling on the Lake George Mine tailings at the Captains Flat Project in New South Wales. The program tested the mineral content of the historic tailings dumps.

- **Vanderbilt Hill**

The Vanderbilt Hill prospect is located to the east of the Lake George Mine and drilling has returned results such as 3.9m @ 10% zinc, 5.3% lead. The prospect is considered to be highly prospective with open ended historic high grade drill results yet to be followed up.

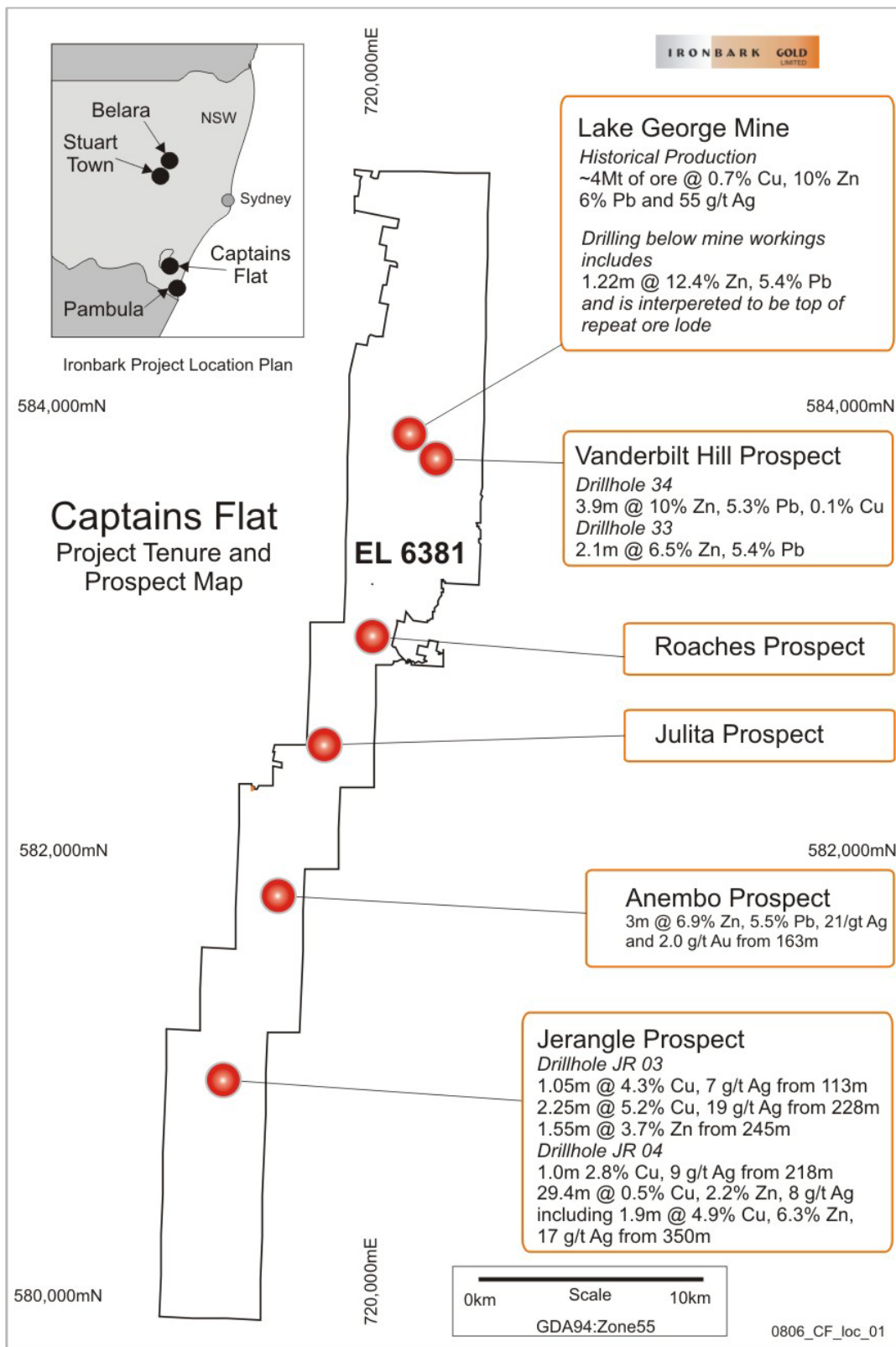


Figure 2: Tenement plan of Captains Flat project tenure showing major prospect locations and significant drilling/mining results

3. About Citronen

Ironbark Zinc Limited is a well funded Company listed on the Australian Securities Exchange (ASX: IBG) and focusing on the development of the wholly owned Citronen Zinc-Lead Project in Greenland.

Ironbark seeks to build shareholder value through exploration and development of its projects and also seeks to actively expand the project base controlled by Ironbark. The management and board of Ironbark have extensive technical and corporate experience in the minerals sector.

Ironbark's key focus is the wholly owned Citronen base metal deposit in Northern Greenland that currently hosts in excess of 10 billion pounds of zinc and lead. The current JORC compliant resource for Citronen is detailed as follows:

55.8 million tonnes at 6.1% zinc (Zn) + lead (Pb)

Indicated resource of 29.9Mt @ 5.8% Zn and 0.6% Pb
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Inferred resource of 25.9Mt @ 5.0% Zn and 0.7% Pb

Using inverse distance squared (ID^2) interpolation and reported at a 3.5% Zn cut-off

including a higher grade resource of:

22.6 million tonnes at 8.2% zinc (Zn) + lead (Pb)

Indicated resource of 14.3Mt @ 7.8% Zn and 0.7% Pb
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Inferred resource of 8.2Mt @ 7.1% Zn and 0.7% Pb
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Using inverse distance squared (ID^2) interpolation and reported at a 5% Zn cut-off

within a larger global resource of:

101.7 million tonnes at 4.7% zinc (Zn) + lead (Pb)

Indicated resource of 50.2Mt @ 4.5% Zn and 0.5% Pb
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Inferred resource of 51.5Mt @ 3.8% Zn and 0.6% Pb

Using Ordinary Kriging interpolation and reported at a 2% Zn cut-off

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Ironbark Zinc Limited. Mr Byass has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appear.