

18 January 2012

Company Announcements

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Engineering Update: Increase in Grade and Tonnes at Citronen

- **23% increase in grade for underground optimised mineral inventory giving approximately 40 Mt at 6.2% zinc (2.4 million tonnes zinc metal) and 0.5% lead**
- **High grade feed of 10.1% zinc+lead (9.3% zinc + 0.8% lead) average for life of planned underground mine post DMS to delivered to the process plant**
- **Feasibility Study ongoing on Citronen Base Metals Project, which is:**
 - **open to further mineralisation in almost every direction, with potential to add many years to mine life;**
 - **located in mining-friendly Greenland, which is on the doorstep to Europe and North America; and**
 - **one of the few world class base metal projects wholly owned by a junior resource company**

Ironbark Zinc Limited (Ironbark, ASX:IBG) is pleased to announce that further to the recent ASX announcement dated 9 January 2012 detailing the significant resource upgrade at Ironbark's 100% Citronen Base Metal Project, Movable Shape Optimiser (MSO) evaluations were run by an independent mining contracting group on the new resource model. MSO is an underground optimisation tool that maximises the value of the resource given stope geometry and design rules to determine the volumes of optimised material that can be evaluated for production.

The preliminary results show a substantial increase in tonnage of material available for production evaluation at a 23% higher grade than previously estimated resulting from the recently upgraded resource estimate, giving 39.1 Mt at 6.18% zinc (2.4 million tonnes zinc metal) and 0.53% lead. This is in comparison to the results previously detailed in the Independent Experts Report dated 9 September 2011, (see ASX announcement dated 18 November 2011). A cut-off grade of 4.5% zinc has been selected based on maximising revenue. This has resulted in the projected feed grade after Dense Media Separation (DMS) increase to 10.1% zinc + lead (9.3% zinc + 0.8% lead) with a

35% rejection and including 15% fines bypass to direct feed. This is expected to have a significantly positive impact on the ongoing Feasibility Study.

Detailed mine scheduling work is advancing. Examples of MSO output and preliminary grade and thickness plots for the ore zones are shown in Appendix 1. High grade areas will be targeted for early production where possible.

Commenting on the significant upgrade, Ironbark Managing Director Jonathan Downes stated “We are delighted to see that our success in 2011 has translated into such a strong result. The increase of 54% of resources in the Measured and Indicated category underpins the revision in the mining study.” Under the JORC code, only mineralisation that is in the Measured or Indicated category can form the basis for Mineable Reserve estimates. “The increase in grade of 23% is expected to result in a very positive impact on our ongoing Feasibility Study. This is a very exciting and favourable development for Ironbark.”

The MSO optimisations are indicative of the possible mineral inventory at the evaluated cut-off grade. They do not account for mining recovery, dilution and do not give consideration to the location/spatial relationship of optimised stopes or the practicality of extraction.

Work to include the higher grade optimised mineral inventory is ongoing in parallel with capital review work being undertaken by China Non Ferrous Industry’s Foreign Engineering and Construction.Co., Ltd.

ABOUT IRONBARK

Ironbark is listed on the Australian Securities Exchange (ASX:IBG) and is seeking to become a significant base metal mining house. Ironbark has a US\$50M funding facility provided by Glencore International AG to help drive the growth of the Company.

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

Ironbark’s wholly owned Citronen Base Metal Project currently hosts in excess of 13.1 Billion pounds of zinc (Zn) and lead (Pb). Ironbark is backed by international base metal companies Glencore International AG and Nyrstar NV as major shareholders of the Company.

Ironbark’s Citronen Base Metal Project is:

- one of the world’s largest zinc projects by resource size;
- open to further mineralisation in almost every direction, potentially adding many years mine life;
- located in mining-friendly Greenland, which is on the doorstep to Europe and North America; and
- one of the few world class base metal projects wholly owned by a junior resource company

Engineering work at Citronen is currently being undertaken by China Non Ferrous Industry's Foreign Engineering and Construction.Co., Ltd. The studies are based on an Ordinary Kriging methodology estimated mineral inventory of;

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	24.8	5.2	0.6	5.8
Indicated	27.6	5.6	0.5	6.1
Inferred	20.6	4.7	0.4	5.2
Total	73.0	5.2	0.5	5.7

Using Ordinary Kriging interpolation and reported at a 3.5% Zn cut-off

within a larger resource of:

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	42.2	4.2	0.5	4.7
Indicated	51.2	4.2	0.4	4.7
Inferred	37.8	3.8	0.4	4.2
Total	131.1	4.1	0.5	4.5

Using Ordinary Kriging interpolation and reported at a 2.0% Zn cut-off

For further information please contact:

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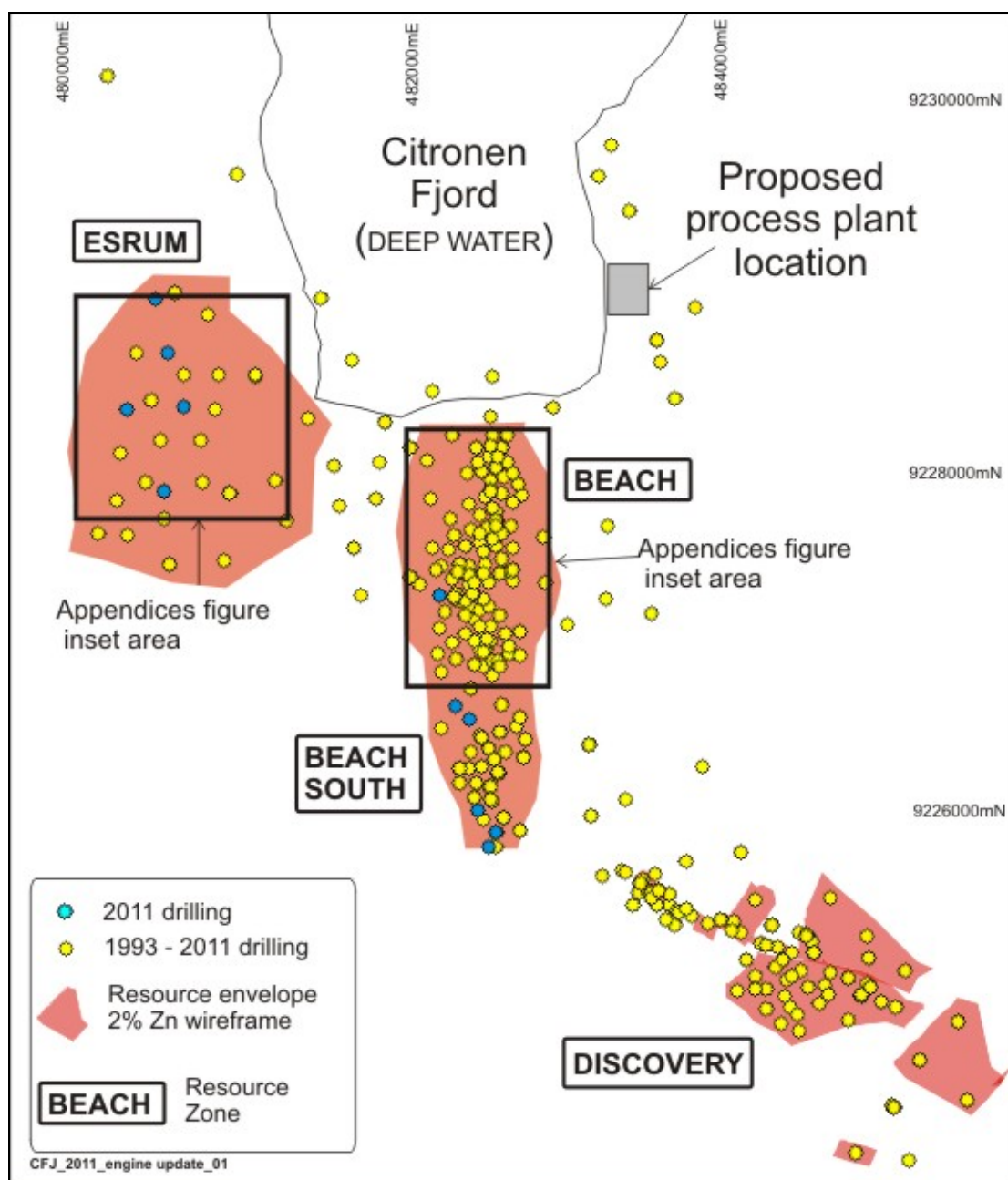
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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Ironbark Zinc Limited. Mr Byass has sufficient 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.

Appendix 1 – Grade and Thickness distributions

The following images do not include Beach South or Discovery Zones



Location Plan

