

**IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND ITS CONTROLLED ENTITIES**

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2011

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

31 DECEMBER 2011

CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT.....	2
AUDITORS INDEPENDENCE DECLARATION.....	5
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	10
DIRECTORS' DECLARATION.....	16
INDEPENDENT AUDITOR'S REVIEW REPORT	17

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Ironbark Zinc Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES**

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Peter Bennetto

EXECUTIVE MANAGING DIRECTOR
Jonathan Downes

EXECUTIVE TECHNICAL DIRECTOR
Adrian Byass

EXECUTIVE ENGINEERING DIRECTOR
Gregory Campbell

NON-EXECUTIVE DIRECTORS
David Kelly
John McConnell
Greg McMillan
Gary Comb

COMPANY SECRETARY
Robert Orr

PRINCIPAL & REGISTERED OFFICE
Level 1, 350 Hay Street
SUBIACO WA 6008
Telephone: (08) 6461 6350
Facsimile: (08) 6210 1872

AUDITORS
PKF Mack & Co
Level 2, 35 Havelock Street
WEST PERTH WA 6005

SHARE REGISTER
Security Transfer Registrars Pty Ltd
770 Canning Hwy
APPLECROSS WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

SECURITIES EXCHANGE LISTINGS
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: IBG

BANKERS
National Australia Bank
1232 Hay Street
WEST PERTH WA 6872

WEBSITE
www.ironbark.gl

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors submit the financial report of the Consolidated Entity for the half-year ended 31 December 2011.

DIRECTORS

The names of Directors who held office during or since the end of the half-year:-

Mr Peter Bennetto	Non Executive Chairman
Mr Jonathan Downes	Executive Managing Director
Mr Adrian Byass	Executive Technical Director
Mr Gregory Campbell	Executive Engineering Director
Mr Greg McMillan	Non Executive Director
Mr David Kelly	Non Executive Director
Mr John McConnell	Non Executive Director
Mr Gary Comb	Non Executive Director (Appointed 30 Jan 2012)

Directors have held office for the entire period and to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

During the half-year the principal activities of the Consolidated Entity consisted of exploration and evaluation of the group's gold and zinc ground holdings.

RESULT OF OPERATIONS

The Directors of Ironbark Zinc Limited ('Ironbark') or 'the Company' advise the consolidated loss of the Consolidated Entity after providing for income tax for the half-year to 31 December 2011 is \$1,533,083 (2010: \$1,250,371).

REVIEW OF OPERATIONS

This report summarises activities conducted by Ironbark during the half year to 31 December 2011 in which Company continued to explore its base metals projects in Greenland and Australia, further advanced the Feasibility Study on the Citronen base metals project (Citronen), and entered into a US\$50 million corporate funding facility.

Ironbark has focussed on the Feasibility Study for Citronen. The key sections of the Feasibility Study are complete and Ironbark signed a Memorandum of Understanding ("MOU") with one of China's leading construction and engineering groups, NFC and Arcon (WA) Pty Ltd ("Arcon"), a subsidiary of the Allmine Group Limited (ASX:AZG). The MOU establishes the framework for formal agreements that will seek to define: NFC to engineer, design, procure, supply, construct, test and commission the Project on a full turnkey basis; NFC to facilitate funding of the project development costs from major banks in China; NFC entering into an offtake agreement for the concentrate products of the Project or a portion thereof

Shareholders approved a funding package provided by Glencore International AG (Glencore) who has made a US\$50 million facility available to the company. This is provided primarily for acquisitions of base metal projects or companies. Glencore have been granted 35% of the rights for metal offtake from Citronen base metal project. The facility places Ironbark in a very strong position to create a leading international base metals company at a time when the Company believes considerable acquisition opportunities exist.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

DIRECTORS REPORT

REVIEW OF OPERATIONS (CONT)

Resource definition drilling at Citronen this year was successful in increasing the size and confidence levels of the resources available for mine optimisation. Infill drilling at the Esrum zone in conjunction with extensional drilling around areas of higher-grade mineralisation at the Beach zone returned intercepts such as 3.7m @ 11.5% zinc + lead within CF11-294 which is the highest grade intercept (as determined by Niton XRF) at Esrum to date.

Exploration drilling was also undertaken at other Greenlandic and Australian projects. Drilling at The Cass Prospect in Washington Land, Greenland was successful. Significant results included 3m @ 16.4% zinc + lead, 77 g/t silver within 17m @ 4.1% zinc + lead, 23 g/t silver in CAS011, and 2.5m @ 8.7% zinc + lead, 134 g/t silver within 9.5m @ 4.9% zinc + lead, 65 g/t silver in CAS002.

Ironbark received high grade drill results from diamond drilling conducted during May to June in 2011 at the historic Blyklippen mine as well as regional exploration. Results included 1.1m @ 12.2% zinc + lead and 8.2 g/t silver from 263m in BK03 beneath the Blyklippen mine. This is significant because it proves a down dip extension of over 200m for mineralisation below the historical workings. Also, along strike, drilling returned 2.5m @ 8.9% zinc + lead, 2 g/t silver in SB017 and 1.0m @ 17.3% zinc + lead, 4 g/t silver in SB019 at the Sortebjerg prospect to the south of Blyklippen

In Australia, Ironbark's joint venture partner on the Captains Flat project, NSW Base Metals Pty Ltd (a subsidiary of Glencore International AG) completed a diamond drillhole at the Jerangle prospect. The result was an encouraging broad intercept of 43.3m of mineralisation grading 1.9% zinc, 0.3% lead, 0.1% copper and 3.8 g/t silver and a second broad zone of mineralisation of 13.6m @ 2.0% zinc, 0.1% lead, 0.3% copper and 1.8 g/t silver. High grade zones such as 2.2m @ 8.0% zinc and 4.4m @ 5.0% zinc from 386.8m were intercepted within the broader mineralisation.

Ironbark commenced drilling at its 100% owned Peak View copper, lead, zinc, gold and silver prospect located in New South Wales, Australia. Results had not been received during the reporting period.

Competent Person Statement

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.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

DIRECTORS REPORT

DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

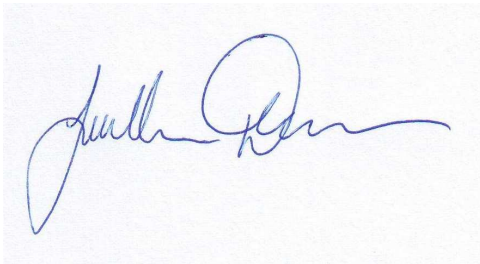
ROUNDING OFF OF AMOUNTS

The amounts contained in this report have been rounded under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies, and in accordance with that Class Order, amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars (where rounding is appropriate).

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2011.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Jonathan Downes', is written over a light blue grid background.

Jonathan Downes
Managing Director

Dated this 13 day of February 2012

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF IRONBARK ZINC LTD**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2011 there has been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF Mack and Co.

PKF MACK & CO

Simon Fermanis

**SIMON FERMANIS
PARTNER**

13 FEBRUARY 2012
WEST PERTH,
WESTERN AUSTRALIA

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au

PKF Mack & Co | ABN 17 830 241 067

2nd Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia

PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$'000	31 December 2010 \$'000
Revenue	388	1,401
Consultancy expenses	(649)	(42)
Depreciation and amortisation expenses	(7)	(215)
Directors fees	(63)	(13)
Employee benefits expense	(455)	(1,537)
Insurance expenses	(38)	(44)
Exploration expenditure written off	-	(33)
Occupancy expenses	(107)	(113)
Regulatory expenses	(99)	(127)
Administrative expenses	(168)	(108)
Loss on disposal of financial asset	-	(173)
Share of net loss of associate	-	(247)
Unrealised loss arisen from available for sale financial assets	(335)	-
Loss before income tax expense	(1,533)	(1,251)
Income tax expense	-	-
Loss for the period	(1,533)	(1,251)
Other comprehensive income		
Net changes in fair value of available for sale financial assets	(168)	(569)
Total comprehensive loss for the period	(1,701)	(1,820)
Earnings per share		
Basic and diluted loss per share (cents) calculated on loss for the period	(0.42)	(0.38)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au
 PKF Mack & Co | ABN 17 830 241 067
 2nd Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
 PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$'000	30 June 2011 \$'000
CURRENT ASSETS			
Cash and cash equivalents		5,056	12,361
Trade and other receivables		148	212
Other current assets		1,834	1,942
TOTAL CURRENT ASSETS		7,038	14,515
NON-CURRENT ASSETS			
Plant and equipment		57	63
Exploration and evaluation expenditure	8	142,039	137,646
Financial assets		1,438	1,000
TOTAL NON-CURRENT ASSETS		143,534	138,709
TOTAL ASSETS		150,572	153,224
CURRENT LIABILITIES			
Trade and other payables		361	1,241
Provisions		101	100
TOTAL CURRENT LIABILITIES		462	1,341
NON-CURRENT LIABILITIES			
Deferred tax liabilities		63	135
TOTAL NON-CURRENT LIABILITIES		63	135
TOTAL LIABILITIES		525	1,476
NET ASSETS		150,047	151,748
EQUITY			
Issued capital	7	107,680	107,680
Reserves		49,497	49,665
Accumulated losses		(7,130)	(5,597)
TOTAL EQUITY		150,047	151,748

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital \$'000	Accumulated Losses \$'000	Revaluation Reserve \$'000	Option Reserves \$'000	Total \$'000
Balance at 1 July 2010	96,791	(3,559)	569	48,191	141,992
Loss for the period	-	(1,251)	-	-	(1,251)
Asset revaluation reserve	-	-	(569)	-	(569)
Total comprehensive income for the period	-	(1,251)	(569)	-	(1,820)
<i>Transactions with owners, recorded directly in equity</i>					
Issue of share capital	11,520	-	-	-	11,520
Transaction costs	(631)	-	-	-	(631)
Equity compensation benefit	-	-	-	1,183	1,183
Balance at 31 December 2010	107,680	(4,810)	-	49,374	152,244
Balance at 1 July 2011	107,680	(5,597)	315	49,350	151,748
Loss for the period	-	(1,533)	-	-	(1,533)
Asset revaluation reserve	-	-	(168)	-	(168)
Total comprehensive income for the period	-	(1,533)	(168)	-	(1,701)
<i>Transactions with owners, recorded directly in equity</i>					
Issue of share capital	-	-	-	-	-
Transaction costs	-	-	-	-	-
Equity compensation benefit	-	-	-	-	-
Balance at 31 December 2011	107,680	(7,130)	147	49,350	150,047

The above condensed consolidated statement of changes in equity should be read in conjunction
with the accompanying notes.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$'000	31 December 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,363)	(856)
Interest received	332	275
Research and development rebate	-	78
	<hr/>	<hr/>
Net cash used in operating activities	(1,031)	(503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1)	(11)
Payments for exploration and evaluation	(5,260)	(9,934)
Payment for investment	(1,013)	-
Proceeds from sale of investments	-	927
	<hr/>	<hr/>
Net cash used in investing activities	(6,274)	(9,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	11,520
Payments for cost of issue of shares	-	(631)
	<hr/>	<hr/>
Net cash from financing activities	-	10,889
Net increase/(decrease) in cash and cash equivalents	(7,305)	1,368
Cash and cash equivalents at the beginning of the period	12,361	16,859
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	<u>5,056</u>	<u>18,227</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

Statement of Compliance

Ironbark Zinc Limited (the Company) is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The consolidated interim financial report of the company for the six months ended 31 December 2011, comprise the Company and its subsidiaries (the “Consolidated Entity” or “Group”).

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Ironbark Zinc Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated interim financial statements were approved by the Board of Directors on 13 February 2012.

Basis of preparation

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company’s 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. Those accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretation has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for current and prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group’s presentation of, or disclosure in, its half-year financial statements.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT (CONT)

Going Concern Basis

The financial statements have been prepared on the going concern basis. As at 31 December 2011 the Consolidated Entity had net assets of \$150,046,595 (30 June 2011: \$151,747,678) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2011 the Consolidated Entity had \$5,055,051 (30 June 2011: \$12,360,746) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future.

At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount in the financial report. Accordingly there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Consolidated Entity not continue as a going concern.

Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

(ii) Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT (CONT)

(iii) *Impairment of exploration and evaluation assets*

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

(iv) *Classification of investments*

The Consolidated Entity has decided to classify investments in listed securities as available for sale. These securities are accounted for at fair value. Any increments or decrements in their value at reporting date are charged or credited to the revaluation reserves.

(v) *Project valuation*

The variables used by the Directors in valuing the project are based on a series of assumptions provided by the executives and external consultants. The Company is currently completing a definitive feasibility study and is seeking to support and affirm the project value. There is a risk that the assumptions used in present valuations and the change in prevailing market conditions could affect the project value.

NOTE 2: SEGMENT INFORMATION

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Greenland. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The Consolidated Entity has two reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia and Greenland. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: SEGMENT INFORMATION (CONT)

	Australia	Greenland	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
For the period ended 31 December 2011				
Revenue	-	-	388	388
Total segment revenue	-	-	388	388
Segment net operating profit after tax	-	-	(1,533)	(1,533)
Interest revenue	-	-	229	229
Depreciation	-	-	(7)	(7)
As at 31 December 2011				
Segment assets	2,232	139,864	8,476	150,572
Segment Liabilities	-	-	525	525
	Australia	Greenland	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
For the period ended 31 December 2010				
Revenue	-	-	1,401	1,401
Total segment revenue	-	-	1,401	1,401
Segment net operating profit after tax	(33)	(207)	(1,011)	(1,251)
Interest revenue	-	-	301	301
Depreciation	-	(207)	(8)	(215)
Equity compensation benefits	-	-	(1,183)	(1,183)
As at 30 June 2011				
Segment assets	1,630	136,079	15,515	153,224
Segment Liabilities	-	-	1,476	1,476

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: CONTINGENT LIABILITIES

There has been no change to contingent liabilities since the last annual reporting date.

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2012, the Company has issued 5,500,000 options. 500,000 options with an exercise price of \$0.45 and a contractual life of 3 years, were issued to Exploration Manager. 5,000,000 options with a exercise price of \$0.30 and a contractual life of 6 years, were issued as consideration for marketing services.

On 30 January 2012, the Company appointed Mr Gary Comb as Non Executive Director.

Apart from the above, no matter or circumstance has arisen subsequent to 31 December 2011 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting Consolidated Entity in future financial periods.

NOTE 5: DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2011.

NOTE 6: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

	31 December 2011 \$'000	30 June 2011 \$'000
NOTE 7: CONTRIBUTED EQUITY		
(a) Issued and fully paid shares		
Fully paid ordinary shares	110,422	110,422
Less: capital issue costs net of tax	(2,742)	(2,742)
	107,680	107,680
(b) Movements in issued and fully paid shares		
	Number of shares	\$'000
Balance at the beginning of the period	368,392,667	107,680
Shares issued	-	-
Less: capital issue costs	-	-
	368,392,667	107,680

IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$'000	30 June 2011 \$'000
NOTE 8: EXPLORATION EXPENDITURE		
Balance at the beginning of the period	137,646	122,142
Exploration expenditure capitalised during the period	4,393	15,669
Impairment of exploration expenditure	-	(165)
Balance at the end of the period	142,039	137,646

The value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

NOTE 9: CONVERTIBLE NOTE FUNDING FACILITY

During the period, the Consolidated Entity has entered into a US\$50 million Convertible Note funding facility and offtake facility pursuant to a transaction with a wholly owned subsidiary of Glencore International AG ('Glencore'). The Convertible Note is at a conversion price of AUD\$0.42 for the first US\$30 million (at Ironbark or Glencore's election to convert) and AUD\$0.50 for the next US\$20 million (at Glencore's election to convert). The funding of the facility is subject to the completion of certain conditions. As at 31 December 2011, the Consolidated Entity has not fulfilled all the conditions of the agreement and hence has not issued the Convertible Note.

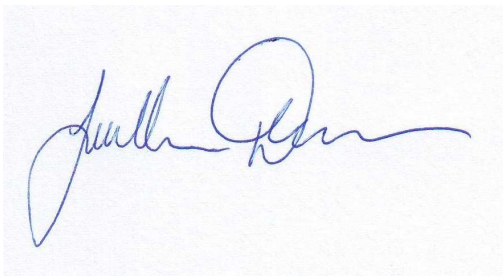
IRONBARK ZINC LIMITED
A.B.N. 93 118 751 027
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 6 to 15 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporation Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - (c) the half-year financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



Jonathan Downes
Managing Director

Dated this 13day of February 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
IRONBARK ZINC LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Zinc Limited (the Company) which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2011, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Ironbark Zinc Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au
PKF Mack & Co | ABN 17 830 241 067
2nd Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ironbark Zinc Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

PKF Mack and Co.

PKF MACK & CO

Simon Fermanis

SIMON FERMANIS
PARTNER

13 FEBRUARY 2012
WEST PERTH,
WESTERN AUSTRALIA

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au
PKF Mack & Co | ABN 17 830 241 067
2nd Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.