

## Quarterly Activities Report for the Period Ended 31 December 2012

### Q4, 2012 HIGHLIGHTS

- The Citronen project was advanced with exceptional recoveries exceeding 90% from ongoing metallurgical test work
- Lodged Environmental Impact Assessment (EIA) for Citronen as part of the project permitting process
- Arccon Mining Services, a subsidiary of the Allmine Group Limited and China Nonferrous are progressing under the MOU on the basis they will deliver an integrated EPC fixed price contract to design, build and commission Citronen with a funding package from Chinese banks
- High priority drill target identified – a large electromagnetic (EM) conductor coincident with copper soil and drill anomalies (up to 5% copper) was identified at Ironbark's joint venture Captains Flat Base Metals Project in NSW
- Peak View Project – lodged drilling permit applications to conduct further drilling where high grade results including 2.1 metres @17.3% zinc + lead, 1.9% copper and 103 g/t silver were intercepted
- Corporate growth utilising the US\$50M Glencore funding facility - ongoing identification and analysis of merger and acquisition opportunities

---

Ironbark Zinc Limited (ASX: IBG) ("Ironbark" or "the Company") is pleased to report its quarterly activities towards its vision of building a base metals mining house for the period ending 31 December 2012.

#### **Exceptional Recoveries from Citronen Metallurgical Testwork**

Ironbark reported on the completion of the latest round of metallurgical test work for the Citronen project in November 2012, which yielded exceptional recoveries and produced high grade saleable concentrate.

Managed by Ironbark's in-house engineering team, this round of flotation test work returned 90% recovery at a zinc grade of 54%. This is an exceptionally high recovery for this SEDEX-style of mineralisation and is an increase of approximately 4% over the previously achieved recovery levels from the flotation circuit.

Typically, SEDEX-style deposits such as Citronen yield zinc flotation recoveries of approximately 80%. The previously achieved flotation recoveries from the Citronen Project's Esrum Resource were 86% at a 55% zinc concentration grade. Ironbark achieved the increase in recoveries via changes to the grinding regimes and reagent suites.

	<b>Zn</b>	<b>Pb</b>
<b>Head Grade</b>	<b>6.03%</b>	<b>1.37%</b>
<b>Flotation Concentrate Grade</b>	<b>54.6%</b>	<b>51%</b>
<b>Flotation Concentrate Recovery</b>	<b>90%</b>	<b>58%</b>

**Table 1: Flotation Concentrate Grades and Recoveries**

These very encouraging results will have a significant impact on the project and will be incorporated into the ongoing engineering and development work being conducted by Ironbark as part of Citronen's Feasibility Study. Metallurgical test work programs, which continue to be managed but the Company's in-house engineering team, remain ongoing and are focused on enhancing the positive results achieved to date.

#### **Update on lodged Environmental Impact Assessment**

Ironbark's lodgement of its Environmental Impact Assessment (EIA) for the Citronen Base Metals Project (Citronen) to the Bureau of Minerals and Petroleum of Greenland (BMP) marked a major milestone in the Company's development of its Citronen Project.

In the December quarter, the public review process of the EIA commenced; Ironbark is currently submitting the final elements of the completed Feasibility Study and Mineral Exploitation license application.

Ironbark and its environmental consultant, Orbicon AS, have worked extensively with the BMP and its advisors over the last three years to ensure the EIA meets the highest standards of environmental sustainability and addresses all of the concerns of the regulators. All supporting testwork has been completed.

#### **Engineering Development work progressing with Arcon and NFC**

Arcon Mining Services, a subsidiary of the Allmine Group Limited and China Nonferrous (NFC), are progressing under the MOU on the basis they will deliver an integrated EPC fixed price contract to design, build and commission Citronen with a funding package from Chinese banks.

This work will also provide the final estimated Capex required for Ironbark to deliver the Feasibility Study. The Study will incorporate an increased mining rate of 3.3 million tonnes per annum, the 2012 resource and the latest mining schedule that upgraded the life of mine head grades to 23% higher than the 2011 mining schedule. The ongoing work will also incorporate the latest metallurgical test work results.

As part of this ongoing work, the Arcon Managing Director and Project Manager were taken to site and will assist both IBG and NFC with the ongoing engineering work.

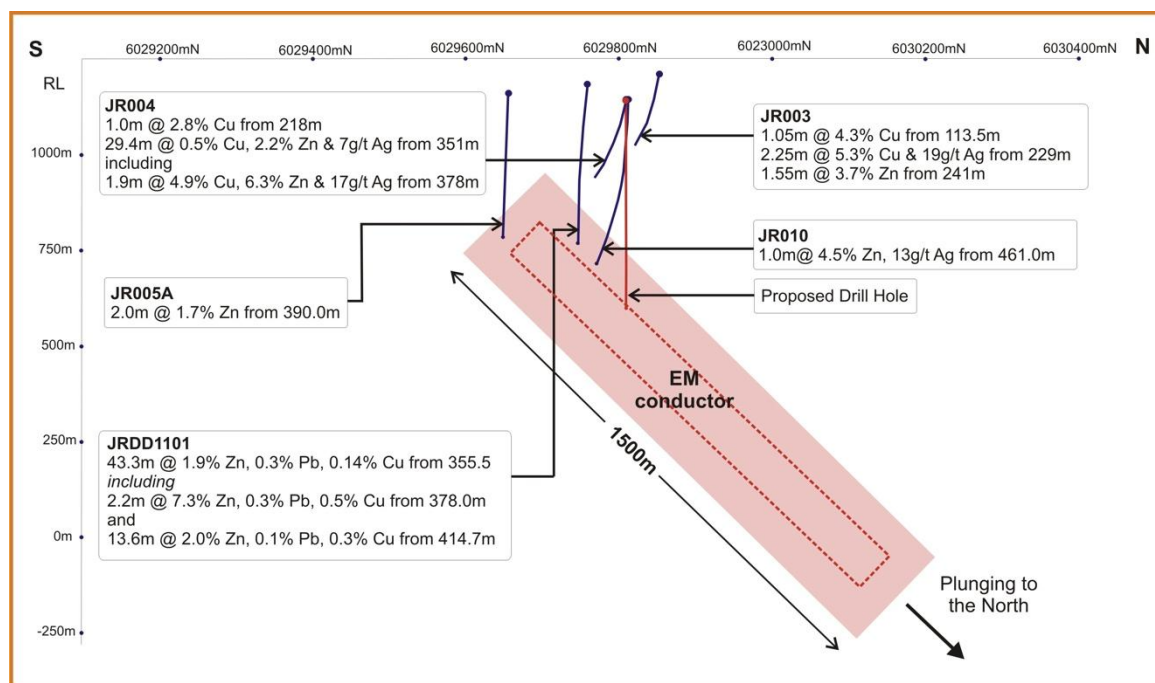
### Captains Flat Project Joint Venture Update

During the quarter, Ironbark announced its Captains Flat Project joint venture partner, NSW Base Metals Pty Ltd (NSWBM) (a subsidiary of Glencore International AG), had completed a fixed-loop Transient Electro Magnetic (TEM) and ground magnetic surveys at the Jerangle Prospect, within the Captains Flat Project, which identified extensive and strong bedrock conductors.

Drill hole JRDD1101 was broadly mineralised near the top of the modelled electromagnetic (EM) conductor, highlighting the potential for considerable deeper mineralisation at Jerangle.

Ironbark and NSWBM are currently entitled to a 51% Joint Venture Interest on an equal basis and have been jointly funding exploration to earn an additional 24% combined Joint Venture Interest from Forge Resources Limited (Forge).

Following the granting of NSW statutory approvals, Ironbark and Forge announced drilling of the EM conductor had commenced at the Jerangle Prospect (ASX announcement 9 January 2013). The long section shown in Figure 1 highlights the modelled conductor and the drill hole currently in progress.



**Figure 1: The modelled EM conductor at the Jerangle Prospect showing drilling intercepts and the drill hole currently in progress (looking west).**

The modelled EM conductor is shown in aerial view in Figure 2 with the 2009 XRF surface geochemical survey copper results. The image shows the strong correlation

of the extensive surface copper anomaly with the surface projection of the electromagnetic conductor.

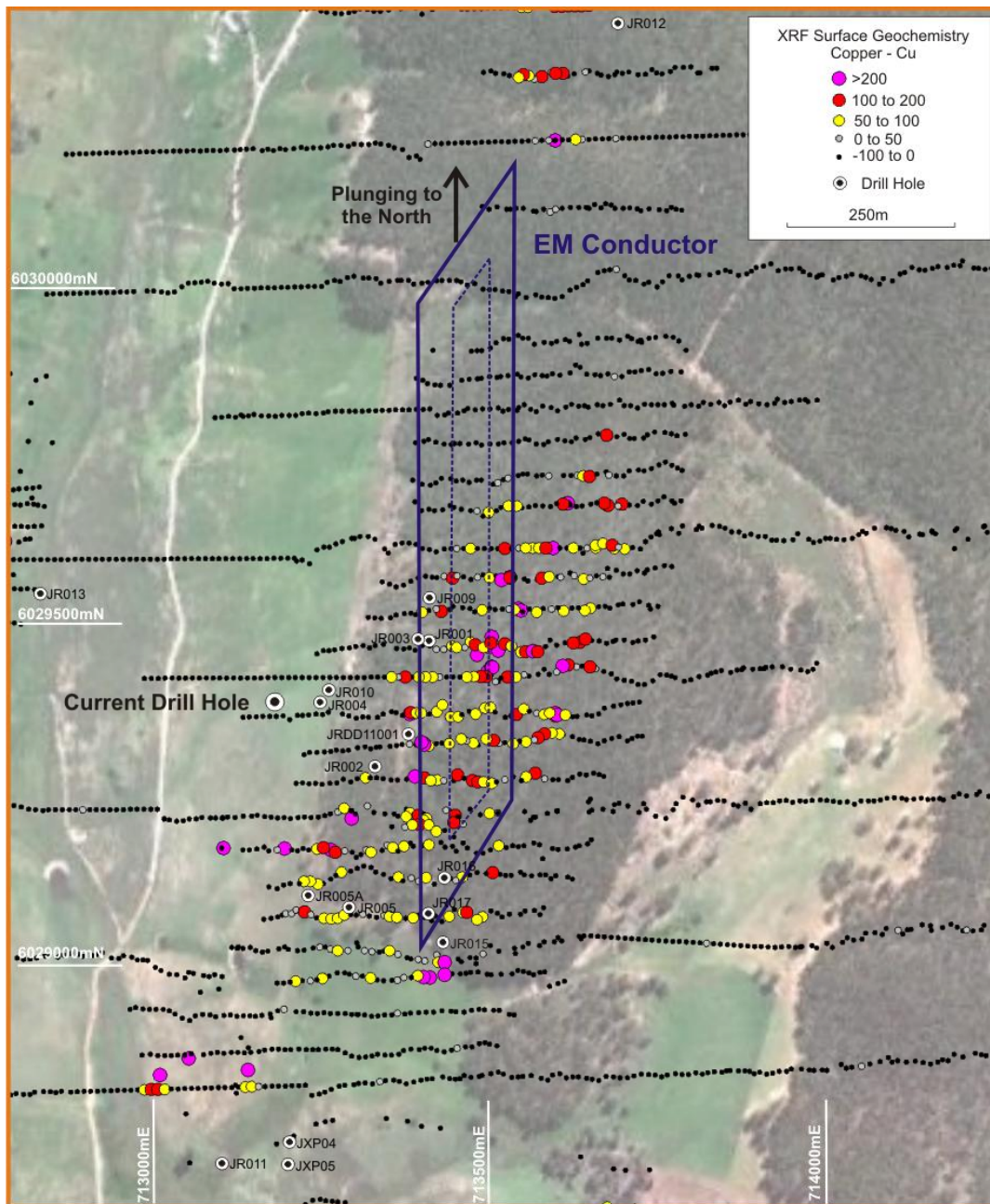


Figure 2: Surface copper anomaly together with the surface projection of the EM conductor, historic drill-hole locations and the current drill site to test the conductor.

### Peak View Project

The Peak View Project (silver and base metals) is located in New South Wales approximately 50 kilometres south of the town of Captains Flat. During the quarter, Ironbark lodged mandatory drilling permit applications to conduct further drilling at the prospect, where high-grade results including 2.1 metres @ 17.3% zinc and lead, 1.9% copper and 103 g/t silver were previously intercepted.



Drilling and a high-resolution soil-sampling program have shown discrete mineralisation trending north and south with occasional high grades zones. The geometry of the higher-grade zones has not been determined at this stage. Subsequent to the quarter the drilling approvals were granted and a drilling rig is currently being sourced.

### **Merger & Acquisition Search to Utilise Undrawn US\$50 Million Glencore Facility**

Ironbark's team has committed a great deal of effort throughout the quarter towards identifying opportunistic merger and acquisition prospects in line with the Company's goal of developing into a major base metals company.

Secured in October 2011, Ironbark's undrawn US\$50 million dollar Glencore facility is designed to provide funding to pursue acquisition opportunities which will expand the Company's project portfolio. The Company believes current difficult market conditions provide an exceptional environment to expand and is continuing to assess a number of available opportunities.

### **Annual General Meeting**

The Company's Annual General Meeting of Shareholders was held on 26 November 2012; all resolutions put to the meeting were passed unanimously by a show of hands (ASX announcement 26 November 2012).

### **Financial Position at 31 December 2012**

Ironbark finished the December quarter with a cash balance of \$3.8 million and no debt. For further details, refer to the Appendix 5B Quarterly Cash Flow Report for the Period Ended 31 December 2012.

**ENDS**

For further information please contact:

Jonathan Downes  
Managing Director  
T +61 8 6461 6350  
[www.ironbark.gl](http://www.ironbark.gl)

James Moses  
Mandate Corporate  
T +612 8012 7702  
E [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

**Competent Person Statement:** *The information in this report related 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 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.*

## About Ironbark

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. Ironbark has an undrawn US\$50M funding facility provided by Glencore International AG to expand its project base through acquisition.

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.

The wholly owned Citronen base metal project currently hosts in excess of 13.1 Billion pounds of zinc (Zn) and lead (Pb).

China Nonferrous Metal Mining (Group) Co. Ltd is currently undertaking engineering work on the Citronen project. The studies are based on an Ordinary Kriging methodology estimated mineral inventory of;

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	25.0	5.0	0.5	5.5
Indicated	26.5	5.5	0.5	6.0
Inferred	19.3	4.7	0.4	5.1
<b>Total</b>	<b>70.8</b>	<b>5.1</b>	<b>0.5</b>	<b>5.7</b>

*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	43.1	4.2	0.5	4.7
Indicated	51.2	4.2	0.4	4.7
Inferred	37.7	3.8	0.4	4.2
<b>Total</b>	<b>132.0</b>	<b>4.0</b>	<b>0.4</b>	<b>4.5</b>

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

---

***“Ironbark is an emerging leader amongst Australia’s mineral resource companies and is dedicated to delivering shareholder value through the development of its major base metal mining operation in Greenland, and the acquisition of quality base metals projects.”***

---