

7 July 2009
The Manager,
Company Announcement Office
Australian Securities Exchange Limited

CITRONEN CAPITAL COST REDUCTION

Ironbark is pleased to announce that an engineering review of the Citronen process plant adopting an industry standard gravity pre-concentration process (DMS) such as utilised by the Mount Isa mine has delivered a significant capital cost reduction. The cost estimate represents a reduction of approximately 15% on the previous estimate. Capital reduction items of significance include reduced steel costs, ship loading facilities as well as crushing, grinding, power generation and floatation equipment. These costs have been based on key elements from the Ausenco Pre-feasibility study (previously released to the market), information provided by MT Hojgaard (Greenland and Denmark's leading engineering contractor), internal cost estimates and Metso Minerals with regards to the processing plant. The project and process plant was optimised using the results achieved from the DMS testwork and conceptual mining rate scenarios of 1Mtpa, 2Mtpa and 3Mtpa based on the 2008 resource estimate.

The largest impact to the capital cost has been the result of excellent DMS testwork, which significantly reduced the processing plant size, supporting infrastructure and services. As the fjord is well protected and has only a 0.5 metre tidal variation the ship loading costs have been reduced from initial estimates. Discussions are currently underway with contractors to evaluate and confirm the ship loading methodology. Weather data for the last year has showed that the lowest recorded temperature on site was -37.5 degrees Celsius – which is higher than the mining centre Yellowknife in Canada and may allow for further cost reductions.

A six stage testwork program will be conducted in the coming months to further optimise the flowsheet and progress the project towards a Bankable Feasibility Study.

The reduction in capital costs has provided Ironbark with an improved NPV in excess of US\$500M based on mining at a rate of 3Mtpa and applying a forecast zinc price of US\$1.08/lb in 2011 (average of forecast from Macquarie, Barclays and GFMS and a lead price of \$US0.95/lb) see Table 1.

Table 1: Estimated Capital and Operating costs in (\$US)/ lb Payable Zinc

<i>Annual Mining Rate</i>	<i>1Mtpa</i>	<i>2Mtpa</i>	<i>3Mtpa</i>
Ore Mining	\$0.19	\$0.21	\$0.22
DMS	\$0.01	\$0.01	\$0.01
Power	\$0.04	\$0.04	\$0.04
Processing Costs	\$0.06	\$0.07	\$0.07
Admin & Other	\$0.01	\$0.01	\$0.01
Concentrate Transport	\$0.03	\$0.03	\$0.03
Pb Credits*	-\$0.07	-\$0.07	-\$0.07
Operating Costs**	\$0.26	\$0.29	\$0.31
NPV (8% discount rate)***	\$208,465,474	\$301,066,386	\$500,063,833
Total Capital Cost Estimate****	\$213,624,542	\$316,786,916	\$404,997,022

* Based on a lead price of US\$0.95/lb

** Excluding zinc and lead Treatment Charges

*** Based on average 2011 forecast zinc price of US\$1.08/lb (Macquarie, Barclays, GFMS)

**** Excluding Owners Costs

On an estimated C1 cost basis Citronen is well positioned against major global zinc mining operations as shown in Figure 1. The image highlights that Ironbark is a relevant project that is well positioned to meet global zinc requirements as world growth recovers from the financial crisis.

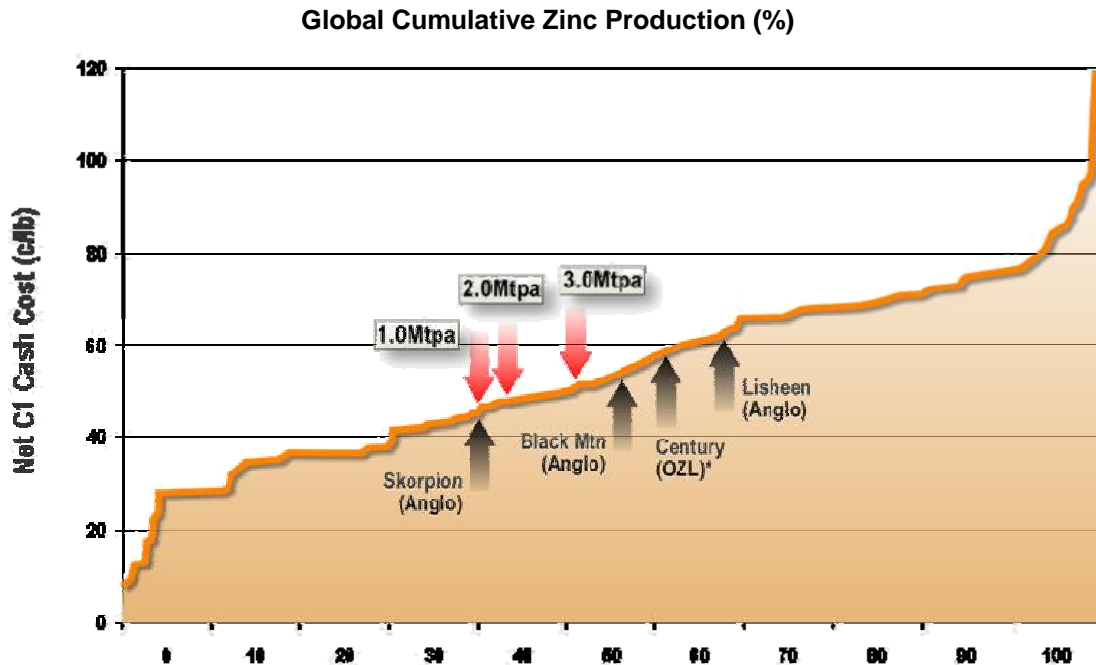


Figure 1: 2008 Zinc Industry Estimated 'C1' Costs Net of By-products with Ironbark conceptual production costs overlaid for mine production rates of 1Mtpa, 2Mtpa and 3Mtpa

Source Anglo American PLC presentation 20/01/09

* OZL: Oz Minerals Limited

About the Citronen Base Metal Project

Ironbark is a well funded Company that is listed on the Australian Securities Exchange (ASX:IBG) and specialises in base metal exploration and development in Greenland and Australia.

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 Citronen base metal deposit in Northern Greenland. The current JORC compliant resource for Citronen (November 2008) 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
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 (ID²) 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 Gold 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.

For further information:

Jonathan Downes
Managing Director
T +61 8 6461 6350
www.ironbark.gl

James Moses
Mandate Corporate
T +612 8012 7702
M +61 420 991 574
E james @mandatecorporate.com.au