2010

ANNUAL REPORT

IRONBARK Zinc Limited

IRONBARK ZINC LIMITED (ABN: 93 118 751 027) AND CONTROLLED ENTITIES

CONTENTS

CORPORATE DIRECTORY

NON EXECUTIVE CHAIRMAN
Peter D Bennetto

MANAGING DIRECTOR
Jonathan C Downes

EXECUTIVE TECHNICAL DIRECTOR
Adrian P Byass

EXECUTIVE ENGINEERING DIRECTOR
Gregory C Campbell

NON EXECUTIVE DIRECTOR
David Kelly
John McConnell
Greg McMillan

COMPANY SECRETARY
Robert Orr

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(Home Exchange: Perth, Western Australia) Code: IBG

BANKERS
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WEBSITE
www.ironbark.gl

LETTER FROM THE MANAGING DIRECTOR

DEAR SHAREHOLDERS

It is a pleasure to report to you on another year of significant growth and development. Over the year Ironbark remained focused on the development of the Citronen base metal project in Greenland with active drilling and feasibility studies building on the work conducted in 2009. We have engaged the services of well regarded engineering firms appointing Wardrop, MT Højgaard and Metso Minerals to conduct a Definitive Feasibility Study on the Citronen project.

Ironbark looks forward to working with these experienced consultants on advancing the Citronen zinc project towards becoming a major zinc mining operation.

Ironbark has proven that Citronen is a world class mineral occurrence and that it has compelling development characteristics. At this stage Citronen shows no sign of limitation in its scale, which is very exciting from a shareholders perspective and a challenge for the management trying to select the ideal scope of mine. The 2010 drilling year is likely to enhance and expand on the existing resource and the results will be used to form the basis for development planning. Ironbark management has resolved that the current resource base, while still growing, is of sufficient size to support a long life mining scenario. The field work supporting a Definitive Feasibility Study at Citronen is expected to conclude towards the end of 2010.

The decision to pursue the Definitive Feasibility Study is based on the various development studies having returned encouraging early results. In addition, there is a forecast looming zinc supply shortage that is expected to create an excellent environment to support the development of zinc mines in the near future – please refer to the Credit Suisse report on the homepage of the Ironbark website – www.ironbark.gl. The coincidental closure of major zinc mines through depletion in the near future coupled with very limited new mine developments is expected to set the scene for a strong zinc price. This environment, with the support of our high quality industry investors should be an ideal time to bring our Citronen mine into production.

We thank our shareholders for their support and look forward to delivering further drilling results, resource upgrade and mine development results in the later part of 2010 and emphasise we own a strategic and valuable asset that is appreciating in value.

Jonathan Downes,
Managing Director

HIGHLIGHTS DURING THE YEAR

1. IRONBARK PROGRESSES FEASIBILITY STUDY

Ironbark Zinc Limited ("Ironbark" "The Company") resolved to target the completion of a Definitive Feasibility Study towards the end of 2010 for the Citronen base metal project ("Citronen").

Engineering, environmental, metallurgical work and the largest field season ever conducted at Citronen, is currently underway to meet this goal.

2. IRONBARK PLACEMENT OF A$15,000,000 TO NYRSTAR

A capital raising of $15,000,000 was completed to Nyrstar International BV, the world's largest zinc producer.

3. METALLURGICAL ZINC RECOVERIES OF 90% ACHIEVED

A whole ore flotation on Beach Level 2 was conducted, from which a saleable concentrate grade of 50% zinc with a recovery of 90% was achieved using an optimised reagent regime. The result was achieved using conventional grinding and flotation circuits.

4. GEOTECHNICAL APPRAISAL POSITIVE FOR MINING

Snowden was engaged to conduct a geotechnical appraisal of Citronen. The results determined that Citronen is amenable to both open pit and underground mining techniques. The results are encouraging and remove a significant amount of project risk.

5. COMPANY NAME CHANGE TO IRONBARK ZINC LIMITED

The Company changed its name from Ironbark Gold Limited to Ironbark Zinc Limited. This reflects the focus of the Company as it develops the world class Citronen base metal project.

6. CAPTAINS FLAT JOINT VENTURE AGREEMENT RENEGOTIATED

The joint venture terms between the joint venture parties have been renegotiated allowing the joint venture to proceed with exploration.

7. ABOUT CITRONEN

A summary of the Citronen project and resource breakdown is included in the Directors Report.

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2010.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr Peter D Bennetto	Non Executive Chairman
Mr Jonathan C Downes	Managing Director
Mr Adrian P Byass	Executive Technical Director
Mr Gregory C Campbell	Executive Engineering Director
Mr David Kelly	Non Executive Director
Mr John McConnell	Non Executive Director (appointed 7 August 2009)
Mr Erling Sorensen	Non Executive Director (appointed 9 October 2009, resigned 22 September 2010)
Mr Vincent Hyde	Non Executive Director (resigned 4 August 2009)
Mr Greg McMillan	Non Executive Director (appointed 30 August 2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr Robert Orr, CA was appointed to the position of company secretary on 15 February 2010. Mr Orr previously held the role of chief financial officer and company secretary for a number of ASX listed companies, with over 20 years experience in public practice and commerce. He has worked extensively in the resource industry with experience in capital raisings, project development, contract negotiation and mining operations.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Consolidated Group during the financial year were the exploration and evaluation of the Group's gold and zinc ground holdings. There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

OPERATING RESULTS

The consolidated loss of the Consolidated Group after providing for income tax amounted to $1,030,619 (2009: $889,702).

DIVIDENDS PAID OR RECOMMENDED

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

REVIEW OF OPERATIONS

Ironbark is pleased to report to its shareholders a summary for the substantial work conducted over the year ending 30 June 2010. The Company's focus has been directed towards Citronen with the aim of developing Citronen into a major base metal producer. The Company retains a solid working capital position.

1. IRONBARK PROGRESSES FEASIBILITY STUDY

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

- Infill and extensional drilling
- Geotechnical testwork
- Metallurgical testwork
- Dense Media Separation testwork
- Infrastructure layout surveying and optimising
- Shipping route bathymetry
- Mining studies
- Resource studies and QA/QC evaluation
- Environmental baseline surveys (the third and final)
- Environmental impact assessment
- Social impact assessment

REVIEW OF OPERATIONS (CONTINUED)

Ironbark appointed Wardrop, MT Højgaard, Orbicon, Greenland Venture A/S and Metso Minerals to conduct a Definitive Feasibility Study on Citronen.

Wardrop is a well respected engineering firm of more than 55 years standing and recently completed the feasibility study for the Malmbjerg project in Southern Greenland together with MT Højgaard. MT Højgaard, Denmark's leading contractor has considerable infrastructure development and construction experience having completed significant work for other projects in Greenland.

Metso Minerals has been engaged to design the process flowsheets and supervise the metallurgy and will provide the process guarantee for the project.

Ironbark looks forward to working with these experienced consultants on advancing the Citronen project towards becoming a major zinc mining operation.

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 results during the year 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 at 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 separate lead concentrate.

During the year, drill hole CF10-245 was drilled to collect geotechnical stability information for the planned decline between the Beach and Esrum resource zones but encountered unexpected mineralisation. In conjunction with mineralised drill hole CF95-63, it is likely that the Esrum and lower level Beach resource form a single larger resource - see Figure 1.

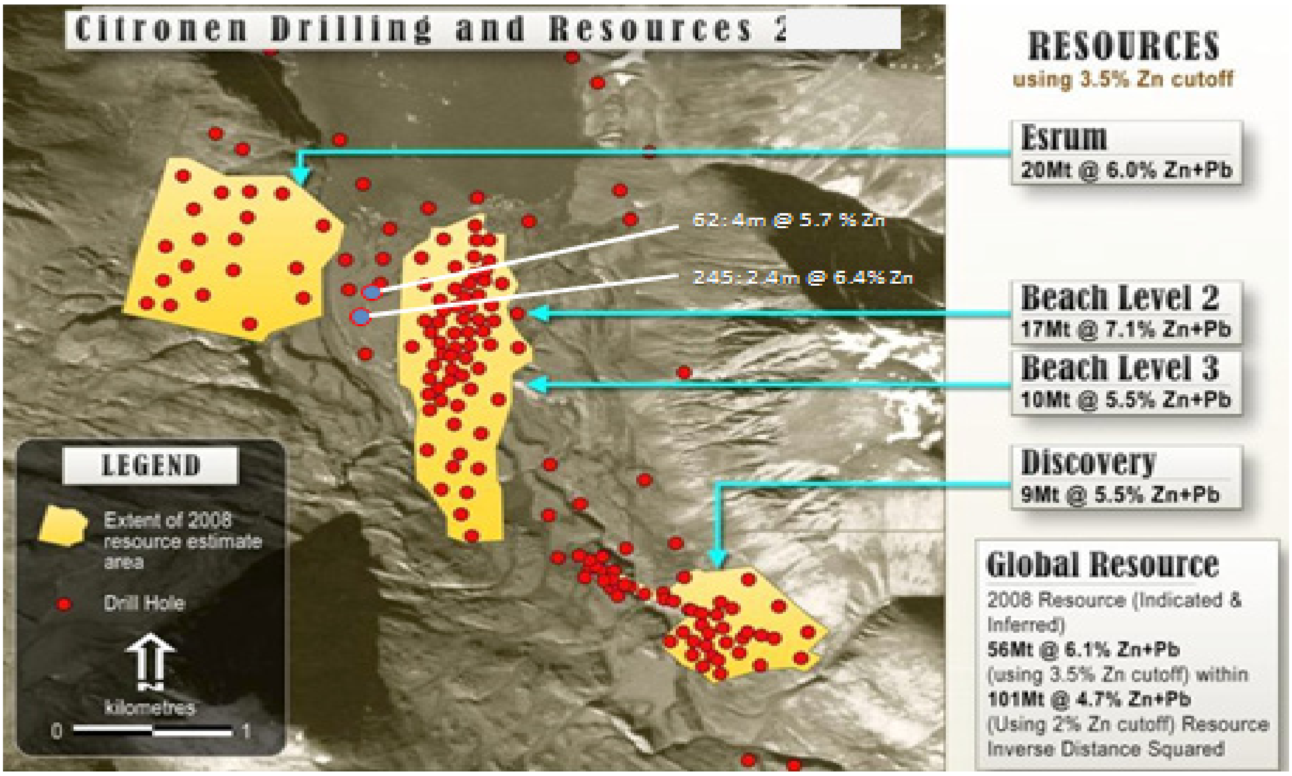


Figure 1: Mineralised drill holes located between Esrum and Beach Resources

REVIEW OF OPERATIONS (CONTINUED)

2.PLACEMENT OF A$15,000,000 TO NYRSTAR

Ironbark issued Nyrstar International BV ("Nyrstar") with an additional 42,857,143 shares in Ironbark at 35 cents each to raise $15,000,000. Nyrstar, the world's largest zinc metal producer became Ironbarks largest shareholder.

The funds raised are being used to complete the Definitive Feasibility Study for one of the world's largest zinc projects late this year. Following this transaction Ironbark will remain in a strong working capital position. Ironbark remains committed to moving toward commercial production within the next 3 to 5 years.

3.METALLURGICAL ZINC RECOVERIES OF 90% ACHIEVED

Ironbark received excellent results from the metallurgical testwork program currently ongoing at the AMMTEC Burnie Research Laboratory in Tasmania. The testwork was based on samples taken from the Citronen project.

A whole ore flotation on Beach Level 2 was conducted, from which a saleable concentrate grade of 50% zinc with a recovery of 90% was achieved using an optimised reagent regime. The result was achieved using conventional grinding and flotation circuits. Other ore zones will be tested later in the program and results announced as they become available.

The results are expected to be further improved when locked cycle testing is conducted later in the testwork program.

The expected flowsheet for the plant will incorporate Dense Media Separation (DMS) to remove waste material at coarse sizes, followed by a traditional flotation plant.

4.GEOTECHNICAL APPRAISAL POSITIVE FOR MINING

Snowden were engaged to conduct geotechnical appraisal of the project, which utilised five geological drill holes completed during the 2009 field season and historical data.

Key parameters for conventional room and pillar underground mining method are:

- Likely maximum spans of 20m, resulting in room widths of 14m
- Likely panel extraction ratios of 90%
- Likely overall extraction ratios, including provision for inter panel barrier pillars is likely to be between 80% to 85%
- Relatively steep open pit walls are now achievable and could be steepened further once additional geotechnical samples have been obtained during this year's field season.

REVIEW OF OPERATIONS (CONTINUED)

5. COMPANY NAME CHANGE TO IRONBARK ZINC LIMITED

Shareholders approved a resolution to change the Company's name from Ironbark Gold Limited to Ironbark Zinc Limited. The change was made to reflect the focus of the Company as it develops the world class Citronen base metal project.

The name change was an important step in the evolution of the Company and will help stakeholders to identify Ironbark as a leading zinc mine developer.

6. CAPTAINS FLAT JOINT VENTURE – RENEGOTIATED

Ironbark 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 base metals project (Captains Flat). Ironbark and NSWBM look forward to an active 2011 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 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 2) 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.

REVIEW OF OPERATIONS (CONTINUED)

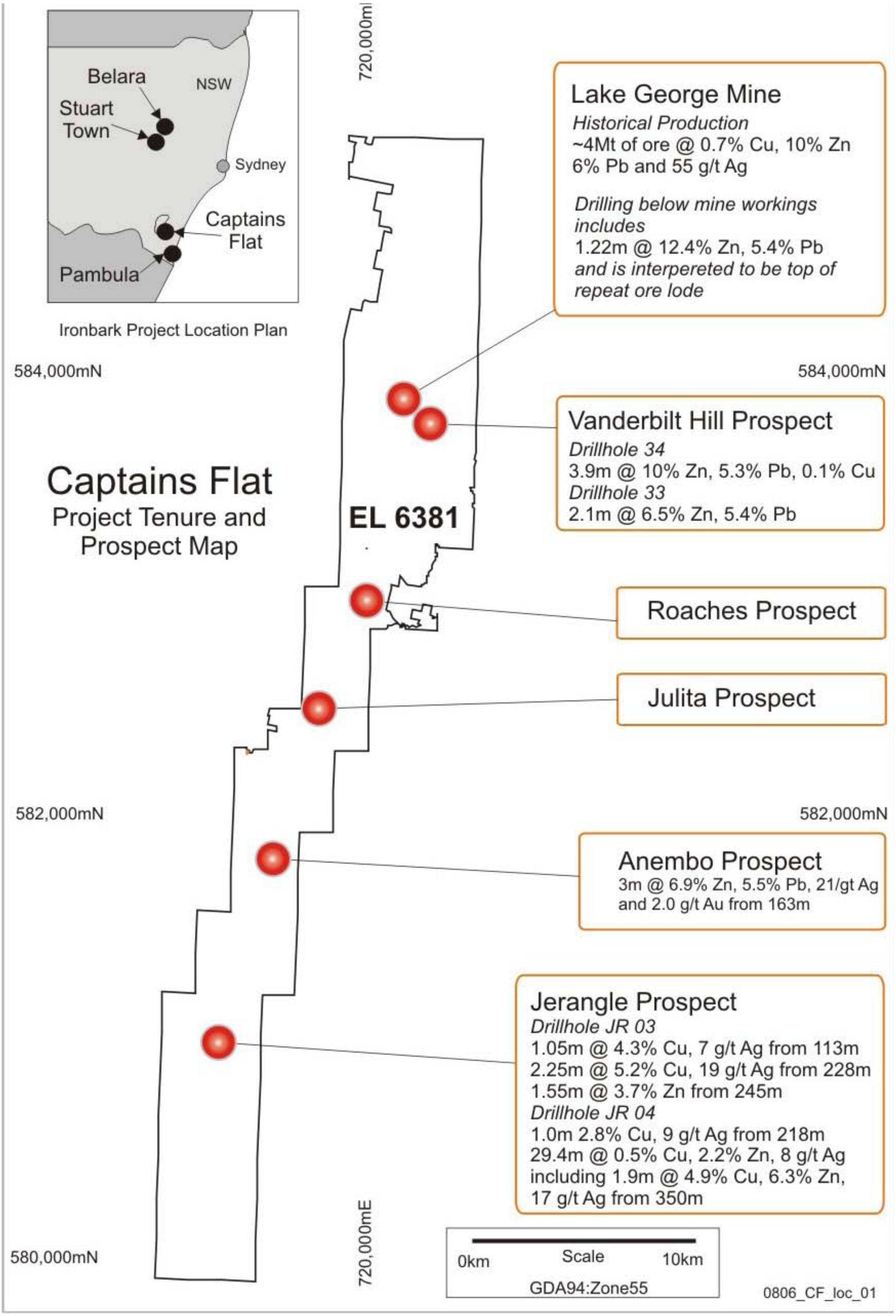


Figure 2: Tenement plan of Captains Flat project tenure showing major prospect locations and significant drilling/mining results

REVIEW OF OPERATIONS (CONTINUED)

7.ABOUT CITRONEN

Ironbark 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
Inferred resource of 25.9Mt @ 5.0% Zn and 0.7% Pb

Using inverse distance squared (ID2) 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
Inferred resource of 8.2Mt @ 7.1% Zn and 0.7% Pb

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
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.

FINANCIAL POSITION

The net assets of the Consolidated Group have increased from $120,344,758 in 2009 to $141,992,006 in 2010. This is primarily as a result of the additional capitalised expenditure on the Citronen project for the year.

The Group's working capital, being current assets less current liabilities, has increased from $4,224,278 in 2009 to $15,668,946 in 2010.

The Directors believe the Group is in a strong and stable financial position to expand and grow its current operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

i. On 7 August 2009 Mr John McConnell was appointed Non Executive Director of the Company.

ii. On 29 September 2009 the Company entered a significant equity/ off-take agreement with Nyrstar NV ("Nyrstar"), the world's largest zincmetal producer and one of the world's largest primary leadsmeltingand refining companies. Under the terms of the agreement Ironbark agreed to a two tranche placement that saw Nyrstar hold 19.9% of the issued capital in Ironbark. The placement to Nyrstar resulted in Ironbark issueing 52,843,559 new shares raising A$6.6M, with the funds raised to be applied towards the completion of a Definitive Feasibility Study at Citronen. Ironbark also granted Nyrstar a life of mine off-take agreement in relation to 35% of the production from the Citronen deposit, once commercial production commences.

iii. As part of the equity placement, Mr Erling Sorensen, Chief Commercial Officer of Nyrstar, joined the Board of Ironbark. In addition, Ironbark sought approval from the Australian Securities Exchange to grant Nyrstar a non-dilutive pre-emptive right that allows Nyrstar to participate on a pro-rata basis in any future capital raisings in order to maintain its relative shareholding.

iv. On 27th November 2009 announced a change of Company name to Ironbark Zinc Limited.

v. Ironbark announced on 31 March 2010 that it had executed an agreement to issue Nyrstar with 42,857,143 shares in Ironbark at 35 cents each to raise $15,000,000. Shareholder approval for the equity placement was obtained on 31 May 2010 and the placement was completed.

AFTER BALANCE DATE EVENTS

i. Ironbark announced on 26 July 2010 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). 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.

ii. On 30 August 2010, the Company appointed Greg McMillan as Non Executive Director as the Nyrstar nominee.

iii. On 22 September 2010 Mr Erling Sorensen resigned as a Non Executive Director.

ENVIRONMENTAL ISSUES

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

INFORMATION ON DIRECTORS

Mr Peter D Bennetto	Non Executive Chairman
Qualifications	GAICD, SA Fin
Experience	Mr Bennetto has over thirty years experience in banking and investment. He has had deep involvement in capital, currency and commodity markets with Societe Generale and Banque Indosuez. Mr Bennetto has held company Director positions in exploration, mining and manufacturing companies listed on the ASX since 1990. Mr Bennetto was a founding Director of Anaconda Nickel Ltd and is Non Executive Chairman of Waratah Gold Limited (listed 17 July 2008).
Interest in Shares and Options	274,000 fully paid Ordinary Shares in Ironbark.
Directorships held in other listed entities	Waratah Gold Limited from 17 July 2008 to date

Mr Jonathan C Downes	Managing Director
Qualifications	B Sc Geol, MAIG
Experience	Mr Downes has over thirteen years experience in the minerals industry and has worked in various geological and corporate capacities. Mr Downes has experience in nickel, gold and base metals and has been intimately involved with numerous private and public capital raisings. Mr Downes was a founding Director of Hibernia Gold (now Moly Mines Limited) and Siberia Mining Corporation Limited. Mr Downes was an Executive Director of Siberia Mining Corporation Limited and is currently a Non Executive Director of Corazon Mining Limited, Wolf Minerals Limited and Waratah Gold Limited.
Interest in Shares and Options	8,385,000 fully paid Ordinary Shares in Ironbark.
Directorships held in other listed entities	Corazon Mining Limited from 10 April 2006 to date Wolf Minerals Limited from 20 September 2006 to date Sabre Resources Limited from 14 December 2007 to date Waratah Gold Limited from 17 July 2008 to date

Mr Adrian P Byass	Executive Technical Director
Qualifications	B Sc Hon (Geol), B Econ, FSEG, MAIG
Experience	Mr Byass has over thirteen years experience in the mining and minerals industry. This experience has principally been gained through mining, resource estimation, and mine development roles for several gold and nickel mining and exploration companies. Through his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance and financial modelling during his employment with publicly listed mining companies. Mr Byass was a founder of Siberia Mining Corporation Limited and Hibernia Gold (now Moly Mines Limited). Mr Byass is currently a Non-Executive Director of Wolf Minerals Limited and was appointed as a Non-Executives Director of Corazon Mining Limited on 3 September 2009.
Interest in Shares and Options	10,335,454 fully paid Ordinary Shares in Ironbark.
Directorships held in other listed entities	Wolf Minerals Limited from 20 September 2006 to date Corazon Mining Limited from 3 September 2009 to date

INFORMATION ON DIRECTORS (CONTINUED)

Mr Gregory C Campbell	Executive Engineering Director
Qualifications	BE (Chem) Hons, MAusIMM, MIEAust
Experience	Mr Campbell has eighteen years engineering experience across Australia primarily in the iron industry. Mr Campbell has experience in process and chemical engineering as well as operating, marketing and financial analysis of projects in the metals industry. This experience has been gained in various capacities including eight years with BHP Limited in a range of engineering and technical roles, eight years in senior engineer consultancy roles with Aker Kvaerner and Promet Engineers and process engineering work for Ausmelt Limited.
Interest in Shares and Options	1,500,000 fully paid Ordinary Shares in Ironbark and 500,000 options (expiring 22/11/2012).
Directorships held in other listed entities	Wolf Minerals Limited from 20 September 2006 to 12 June 2009.
Mr Vincent Hyde	Non Executive Director (resigned 4 August 2009)
Qualifications	MNIA
Experience	Mr Hyde has over 40 years banking and corporate advisory experience. He was the Managing Director of a merchant bank for many years and his responsibilities included overall management and performance of operations in Australia, South East Asia, Republic of South Africa, United Kingdom, France, Germany and North America. Mr Hyde is also a Director of ASX listed company Prime Minerals Limited and Executive Chairman of Power Resources Ltd.
Interest in Shares and Options	Nil
Directorships held in other listed entities	Prime Minerals Limited from 18 April 2006 to date Blaze International Limited from April 2007 to date Power Resources Limited from 15 February 2008 to date
Mr David Kelly	Non Executive Director
Qualifications	BCom, CA
Experience	Mr Kelly is a qualified Chartered Accountant and has some 10 years experience in finance positions in Australia and the United Kingdom, including senior roles with Chartered Accountants Deloitte Touche Tohmatsu and Royal and SunAlliance Insurance.
Interest in Shares and Options	Nil
Directorships held in other listed entities	Nil
Mr John McConnell	Non Executive Director (appointed 7 August 2009)
Qualifications	BSc Min Eng
Experience	Mr McConnell is a Canadian mining engineer with a wealth of experience in developing and operating base metal and precious mineral mining operations in the Arctic. Mr McConnell has over 30 years of mining experience including exploration, engineering, environmental assessment and permitting, construction and operations. Recently, Mr McConnell was President and CEO of Western Keltic Mines until it was acquired by Sherwood Copper. Prior to that Mr McConnell was the Vice President of Northwest Territories Projects for De Beers Canada. Mr McConnell is currently an Executive Vice President and Director of Victoria Gold Corp. He is a graduate of the Colorado School of Mines with a Bachelor of Science in Mining Engineering.
Interest in Shares and Options	200,000 options (expiring 2/10/2012)
Directorships held in other listed entities	Director of Victoria Gold Corp from 8 January 2009 to date

INFORMATION ON DIRECTORS (CONTINUED)

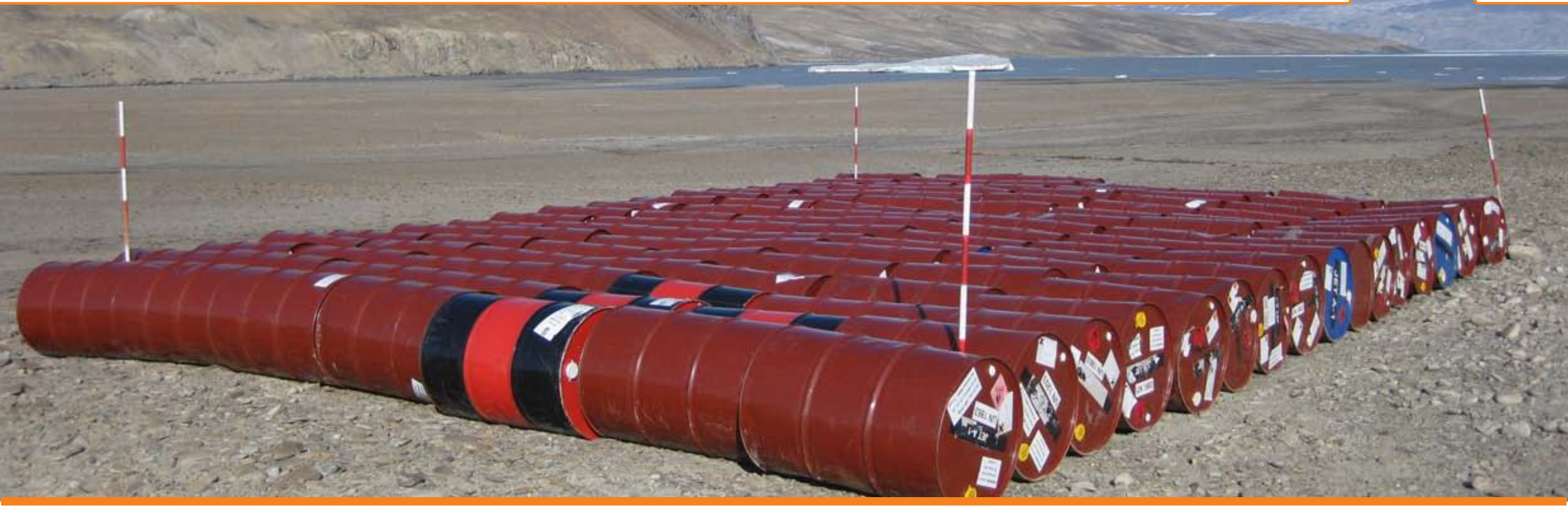
Mr Erling Sorensen	Non Executive Director (appointed 9 October 2009, resigned 22 September 2010)
Qualifications	MBA, GradDipAppFin, FAICD
Experience	Erling Sorensen was appointed Chief Commercial Officer of Nyrstar NV in August 2007. Before the creation of Nyrstar, he was General Manager of global marketing and sales at Zinifex Limited. Before joining Zinifex Limited, he was Regional Managing Director of Clipper Bulk in Melbourne. He has held several management positions with Elkern AS Oslo, Setaf Asia in Singapore, Clipper Maritime Singapore and Norclip Shipping Oslo.
Interest in Shares and Options	Nil
Directorships held in other listed entities	Nil

Mr Greg McMillan	Non Executive Director (appointed 30 August 2010)
Qualifications	BCom, MBA
Experience	Mr McMillan was appointed Chief Operating Officer in August 2007, and is responsible for Nyrstar's global operations. Greg joined the Group in 2003 and has previously held General Manager positions in both mining and smelting operations before being appointed Chief Operating Officer in 2007 upon the creation of Nyrstar. Prior to joining the Nyrstar Group, Greg held managerial positions within Delta Group, Boral, and Brambles Limited and holds a Bachelor of Commerce and Masters in Business Administration.
Interest in Shares and Options	Nil
Directorships held in other listed entities	Nil

REMUNERATION REPORT – AUDITED

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Group Key Management Personnel	Position held as at 30 June 2010 and any change during the year	Contract details	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance	
			Non-Salary cash-based incentives %	Shares/ Units %	Options /Rights %	Fixed salary/ Fees %	Total %
Peter Bennetto	Non Executive Chairman	No fixed term.	-	-	-	100	100
Jonathan Downes	Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Adrian Byass	Executive Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Gregory Campbell	Executive Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
David Kelly	Non Executive Director	No fixed term. Upon advice from Nominee Glencore required to terminate.	-	-	-	100	100
John McConnell	Non Executive Director	No fixed term.	-	-	48	52	100
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 3 months notice required to terminate	-	-	-	100	100



REMUNERATION REPORT – AUDITED (CONTINUED)

This report details the nature and amount of remuneration for each key management person of Ironbark, and for the executives receiving the highest remuneration.

REMUNERATION POLICY

The remuneration policy of Ironbark has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Group's financial results. The Board of Ironbark believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Group, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Group is as follows:

The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the remuneration committee and approved by the Board.

All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.

The remuneration committee reviews key management personnel packages annually by reference to the Consolidated Group's performance, executive performance and comparable information from industry sectors.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options have previously been issued to Directors to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Further options and performance incentives may be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can be used as measurements for assessing board performance.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non Executive Directors are not linked to the performance of the Consolidated Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

The employment conditions of the Managing Director, Mr Jonathan Downes and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Ironbark.

The employment contract states a three-month resignation period. The Company may terminate an employment contract without cause by providing one to three months' written notice or making payment in lieu of notice, based on the individual's salary component.

REMUNERATION REPORT – AUDITED (CONTINUED)

(a) Key Management Personnel Remuneration

	Short Term Benefits		Share Based Payments	Post Employment Benefits	Total
	Salary and fees	Others	Options	Superannuation	
2010	$000	$000	$000	$000	$000
Peter Bennetto	75	-	-	7	82
Adrian Byass	148	65	-	13	226
Jonathan Downes	210	-	-	19	229
Gregory Campbell	195	-	-	17	212
David Kelly	-	-	-	-	-
John McConnell	32	-	29	-	61
Erling Sorensen	-	-	-	-	-
Robert Orr	77	-	-	7	84
David Round	103	15	-	9	127
	840	80	29	72	1,021
2009					
Peter Bennetto	75	-	-	7	82
Adrian Byass	146	51	-	13	210
Jonathan Downes	195	-	-	18	213
Gregory Campbell	180	-	-	16	196
Vincent Hyde	37	-	-	-	37
David Kelly	-	-	-	-	-
David Round	160	21	-	14	195
	793	72	-	68	933

Performance income as a proportion of total income

No bonuses were paid to executives or Non Executive Directors during the period.

REMUNERATION REPORT – AUDITED (CONTINUED)

(b) Options issued as part of remuneration for the year ended 30 June 2010

Options are issued to Directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of Directors and executives of Ironbark and its subsidiaries to increase goal congruence between executives, Directors and shareholders.

The following table details the value of options granted, exercised or lapsed during the period.

2010		Options Granted as Part of Remuneration	Total Remuneration Represented by Options	Options Exercised	Options Lapsed	Total
	Granted	Value at Grant Date				
	No. 000	$000	%	$000	$000	$000
Director						
John McConnell	200	29	47.59	-	-	29

The following table illustrates details of compensation options granted or vested during the financial period.

2010	Number Granted	Number Vested	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
	No. 000	No. 000			$	$
Director						
John McConnell	200	200	2/10/2009	2/10/2012	.20	.144

Details of factors used in option valuation calculation for the options granted during the financial period are:

Inputs into the Model	
Grant date share price	$0.225
Exercise price	$0.20
Expected volatility	95.00%
Option life	3 years
Risk-free interest rate	4.53%

All options vest upon grant date and expire within 3 years of vesting and were granted for nil consideration.

2009	Number Granted	Number Vested	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
	No. 000	No. 000			$	$
Director						
Jonathan Downes	5,000	5,000	10/08/2006	10/08/2012	0.06	0.045
Adrian Byass	5,000	5,000	10/08/2006	10/08/2012	0.06	0.045
Gregory Campbell	500	500	20/11/2007	22/11/2012	0.85	0.355

REMUNERATION REPORT – AUDITED (CONTINUED)

(c) Shares Issued on Exercise of Compensation Options

During the reporting period, the following shares were issued on the exercise of options previously granted as compensation:

Directors	No. 000	Amount paid $/share
Jonathan Downes	5,000	0.06
Adrian Byass	5,000	0.06

There are no amounts unpaid on the shares issued as a result of the exercise of the options in the 2010 financial year.

(d) Shareholdings

Number of Shares held by Key Management Personnel

2010	Balance 01.07.2009	Received as compensation	Options exercised	Net change other	Balance 30.06.2010
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,235	-	5,000	(4,850)	8,385
Peter Bennetto	2,300	-	-	(2,026)	274
Adrian Byass	9,650	-	5,000	(4,315)	10,335
Gregory Campbell	1,500	-	-	-	1,500
Total	21,685	-	10,000	(11,191)	20,494

2009	Balance 01.07.2008	Received as compensation	Options exercised	Net change other	Balance 30.06.2009
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,235	-	-	-	8,235
Peter Bennetto	2,300	-	-	-	2,300
Adrian Byass	9,650	-	-	-	9,650
Gregory Campbell	1,500	-	-	-	1,500
Total	21,685	-	-	-	21,685

*Mr Jonathan Downes previously provided 2,500,000 shares to Opus Prime as part of a lending facility. Mr Downes held an indirect interest in these shares through his wife. Mr Downes commenced action seeking confirmation of his wife's title to these shares. These shares are not included in the total of his direct and indirect share holding in the Company. The administrator of Opus Prime sold the shares in 2008 and the matter was subsequently resolved and a settlement was reached.

REMUNERATION REPORT – AUDITED (CONTINUED)

(e) Options and rights holdings

2010	Balance 01.07.2009	Granted as Compensation	Options Exercised	Net Change Other	Balance 30.06.2010
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	5,000	-	(5,000)	-	-
Adrian Byass	5,000	-	(5,000)	-	-
Gregory Campbell	500	-	-	-	500
John McConnell	-	200	-	-	200
Don McLean (resigned 15 January 2010)	500	-	-	-	500
David Round (resigned 15 February 2010)	2,500	-	-	-	2,500
Total	13,500	200	(10,000)	-	3,700

	Balance 30.06.2010	Total Vested 30.06.2010	Total Exercisable 30.06.2010	Total Unexercisable 30.06.2010
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	-	-	-	-
Adrian Byass	-	-	-	-
Gregory Campbell	500	500	500	-
John McConnell	200	200	200	-
Don McLean (resigned 15 January 2010)	500	500	500	-
David Round (resigned 15 February 2010)	2,500	2,500	2,500	-
Total	3,700	3,700	3,700	-

2009	Balance 01.07.2008	Granted as Compensation	Options Exercised	Net Change Other*	Balance 30.06.2009
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	5,000	-	-	-	5,000
Adrian Byass	5,000	-	-	-	5,000
Gregory Campbell	500	-	-	-	500
Don McLean	500	-	-	-	500
David Round	2,500	-	-	-	2,500
Total	13,500	-	-	-	13,500

REMUNERATION REPORT – AUDITED (CONTINUED)

(e) Options and rights holdings (continued)

	Balance 30.06.2009	Total Vested 30.06.2009	Total Exercisable 30.06.2009	Total Unexercisable 30.06.2009
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	5,000	5,000	5,000	-
Adrian Byass	5,000	5,000	5,000	-
Gregory Campbell	500	500	500	-
Don McLean	500	500	500	-
David Round	2,500	2,500	1,667	833
Total	13,500	13,500	12,667	833

MEETINGS OF DIRECTORS

During the financial year, nine meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Bennetto	9	9	1	1	-	-
Jonathan Downes	9	9	1	1	-	-
Adrian Byass	9	9	1	1	-	-
Gregory Campbell	9	9	1	1	-	-
Vincent Hyde	2	2	-	-	-	-
David Kelly	9	6	1	1	-	-
John McConnell	7	5	1	1	-	-
Erling Sorensen	6	3	-	-	-	-

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was $3,072 for each Director.

- Peter Bennetto
- Jonathan Downes
- Adrian Byass
- Vincent Hyde (resigned 4 August 2009)
- Gregory Campbell
- David Kelly
- John McConnell (appointed 7 August 2009)
- Erling Sorensen (appointed 9 October 2009, resigned 22 September 2010)
- Greg McMillan (appointed 30 August 2010)

OPTIONS

At the date of this report, the unissued ordinary shares of Ironbark under option are as follows:

Grant Date	Date of Expiry	Exercise Price $	Number under Option 000
09/05/2007	18/06/2012	0.85	3,000
29/11/2007	22/11/2012	0.85	500
02/10/2009	02/10/2012	0.85	200
			3,700

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and the objectivity of the auditor; and
- the nature of the services provided to not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 24 of the Directors' Report.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Jonathan Downes
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF IRONBARK ZINC LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Mack & Co

Mack & Co

N A Calder

Partner

West Perth

Date: 24 September 2010

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 60, are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company and Consolidated Group;
   c. the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statement.

2. The Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 295A of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;

3. 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

DATE: 24 SEPTEMBER 2010

MACK & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDIT REPORT TO MEMBERS OF IRONBARK ZINC LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Ironbark Zinc Limited (the Company) and the Consolidated Entity, which comprises the statement of financial position as at 30 June 2010, and statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

BASIS FOR QUALIFIED AUDITOR'S OPINION

Given the remote location of plant and equipment, and the prohibitive costs that would be incurred, it is impracticable for us to verify the existence and condition of these assets. In effect, this means we are unable to gather sufficient appropriate audit evidence to satisfy the existence assertion for these assets.

QUALIFIED AUDITOR'S OPINION

In our opinion:

a. except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the physical plant and equipment quantities and condition, the financial report of Ironbark Zinc Limited is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report under the heading "Remuneration Report – Audited" for the year ended 30 June 2010.

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Ironbark Zinc Limited and the Consolidated Entity for the year ended 30 June 2010 complies with section 300A of the Corporations Act 2001.

MACK & CO

Mack & Co

N A Calder
Partner
West Perth

DATE: 24 SEPTEMBER 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

		2010	2009
	NOTE	$000	$000
Other revenue	2	796	864
Gain on de-recognition of subsidiary		-	115
Administration expenses		234	176
Compliance expenses		178	118
Consultancy expenses		145	258
Director's fees		25	241
Employee benefits expense		544	655
Depreciation and amortisation expense	14	407	406
Equity compensation benefits	24	29	-
Exploration expenditure written off	16	-	24
Insurance		58	67
Occupancy expenses		156	173
Share of net loss of associate	13	129	94
Loss before income tax expense	3	(1,109)	(1,233)
Income tax benefit	4	78	344
Loss for the year		(1,031)	(889)
Other comprehensive income			
Other comprehensive income/(loss), net of tax		473	(1,209)
Total comprehensive loss for the year		(558)	(2,098)

LOSS PER SHARE			
Basic loss per share (cents)	7	(0.41)	(0.42)
Diluted loss per share (cents)	7	(0.41)	(0.42)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	NOTE	2010 $000	2009 $000
CURRENT ASSETS			
Cash and cash equivalents	8	16,859	4,251
Trade and other receivables	9	154	77
Inventories	10	-	107
Other current assets	15	150	55
Income tax receivable	4	78	-
TOTAL CURRENT ASSETS		17,241	4,490
NON CURRENT ASSETS			
Plant and equipment	14	2,829	2,313
Exploration and evaluation expenditure	16	122,142	111,798
Investments accounted for using the equity method	13	553	600
Financial assets	11	1,110	1,806
TOTAL NON CURRENT ASSETS		126,634	116,517
TOTAL ASSETS		143,875	121,007
CURRENT LIABILITIES			
Trade and other payables	17	1,512	222
Short term provisions	18	60	43
TOTAL CURRENT LIABILITIES		1,572	265
NON CURRENT LIABILITIES			
Deferred tax liabilities	4	311	397
TOTAL NON CURRENT LIABILITIES		311	397
TOTAL LIABILITIES		1,883	662
NET ASSETS		141,992	120,345
EQUITY			
Issued capital	19	96,791	74,165
Reserves	20	48,760	49,362
Accumulated losses		(3,559)	(3,182)
TOTAL EQUITY		141,992	120,345

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Issued Capital	Accumulated Losses	Asset Revaluation Reserve	Option Reserve	Total
	$000	$000	$000	$000	$000
BALANCE AT 30 JUNE 2009	74,165	(2,293)	1,909	48,589	122,370
Loss for the year	-	(889)	-	-	(889)
Other comprehensive income					
Asset revaluation reserve	-	-	(1,209)	-	(1,209)
Total other comprehensive income for the year	-	-	(1,209)	-	(1,209)
Transactions with owners, recorded directly in equity					
Share of changes recognised directly in associate's equity	-	-	50	23	73
BALANCE AT 30 JUNE 2009	74,165	(3,182)	750	48,612	120,345
Loss for the year	-	(1,031)	-	-	(1,031)
Other comprehensive income					
Asset revaluation reserve	-	654	(181)	-	473
Total other comprehensive income for the year	-	654	(181)	-	473
Transactions with owners, recorded directly in equity					
Issue of share capital	22,325	-	-	-	22,325
Transaction costs	(149)	-	-	-	(149)
Share options exercised	450	-	-	(450)	-
Equity compensation benefit	-	-	-	29	29
BALANCE AT 30 JUNE 2009	96,791	(3,559)	569	48,191	141,992

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	NOTE	2010 000	2009 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,389)	(1,190)
Interest received		262	496
Other		343	344
Net cash flows used in operating activities	23	(784)	(350)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(925)	(172)
Payments for exploration and evaluation		(8,951)	(6,132)
Proceeds from sale of tenements		-	368
Proceeds from sale of investments		1,092	60
Purchase of investments		-	(97)
Net cash flows used in investing activities		(8,784)	(5,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		22,325	-
Application monies paid out on de-recognition of subsidiary		-	(2,912)
Deferred share issue costs paid out on de-recognition of subsidiary		-	88
Profit on de-recognition of subsidiary		-	115
Payments for share issue cost		(149)	-
Net cash flows generated from/(used in) financing activities		22,176	(2,709)
Net increase/(decrease) in cash and cash equivalents		12,608	(9,032)
Cash and cash equivalents at beginning of financial year		4,251	13,283
Cash and cash equivalents at end of financial year	8	16,859	4,251

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Ironbark for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of Directors on 24 September 2010.

This financial report includes the consolidated financial statements and notes of Ironbark and controlled entities ('Consolidated Entity' or 'Group'), and the separate financial statements and notes of Ironbark as an individual parent entity ('Parent Entity').

Ironbark is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial report of and controlled entities, and as an individual parent entity comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

BASIS OF PREPARATION AND GOING CONCERN BASIS

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the going concern basis. As at 30 June 2010 the Consolidated Entity had net assets of $141,992,006 and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 30 June 2010 the Consolidated Entity had $16,858,873 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.

a. 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. Impairment of exploration and evaluation assets and investments in and loans to subsidiaries
The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

iii. *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.

iv. *Classification of investments*

The group 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 year end 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 DFS 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.

Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ironbark ('Company' or 'parent entity') as at 30 June 2010 and the results of all controlled entities for the year then ended. Ironbark and its controlled entities together are referred to in this financial report as the "Consolidated Entity." The effects of all transactions between entities in the Consolidated Entity are eliminated in full.

Subsidiaries are all those entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 12 to the financial statements.

c. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

Ironbark and its wholly-owned Australian subsidiaries have not formed an income tax Consolidated Group under tax consolidation legislation.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

f. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10–40%
Exploration site equipment	10-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

g. Financial Instruments

The Consolidated Entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. *Financial assets at fair value through profit or loss*

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

ii *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated Entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iii. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Purchases and sales of investments are recognised on trade-date being the date on which the Consolidated Entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Consolidated Entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

The Consolidated Entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

h. Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Impairment

i. Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised either in the statement of comprehensive income or revaluation reserves in the period in which the impairment arises.

ii. Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

iii. Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Consolidated Entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

k. Employee Benefits

a. Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

b. Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

c. Superannuation

Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

d. Employee benefit on costs

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

e. Options

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts.

n. Revenue and Other Income

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p. Receivables

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

q. EPS

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

s. Investments

Interests in listed and unlisted securities are initially brought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in note 1(b).

Other securities are included at fair value at reporting date. Unrealised gains/losses on securities held for short term investment are accounted for as set out in Note 1 (g) (i) financial assets at fair value through profit or loss. Unrealised gains/losses on securities held for long term investment are accounted for as set out in Note 1 (g) (iii) available for sale financial assets.

t. Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

u. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

v. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors' Report have been rounded off to the nearest $000.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w. New accounting standards for application in future periods

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.

- AASB 124 Related Party Disclosures (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvement Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 - Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issue [AASB 132] (October 2010) clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments, which will become mandatory for the Group's 30 June 2011 financial statements, are not expected to have any impact on the financial statements.

- AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement -AASB 14 make amendments to Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset Minimum Funding Requirements removing an unintended consequence arising from the treatment of the prepayments of future contributions in some circumstances when there is a minimum funding requirement. The amendments will become mandatory for the Group's 30 June 2012 financial statements, with retrospective application required. The amendments are not expected to have any impact on the financial statements.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. IFRIC 19 will become mandatory for the Group's 30 June 2011 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

NOTE 2: OTHER REVENUE

	2010	2009
	$000	$000
Operating activities		
- interest received	285	368
Cost recoveries	415	413
Gain on foreign exchange	-	3
Profit/(loss) on sale of investments	91	(38)
Profit on sale of exploration assets	5	118
Total Other Revenue	796	864

NOTE 3: LOSS BEFORE INCOME TAX EXPENSES

	2010	2009
	$000	$000
Losses before income tax have been arrived after charging the following items:		
Occupancy costs	156	173
Employee benefits expense	544	655
Equity compensation benefits	29	-
Depreciation of non-current assets		
- plant & equipment	407	406
Share of net loss of associate	129	94

NOTE 4: INCOME TAX BENEFIT

	2010	2009
	$000	$000
(a) The components of tax benefit comprise:		
Current tax	(78)	(344)
Deferred tax	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%)	(333)	(370)
Add:		
Tax effect of:		
Non deductible items	48	32
Share based payments	9	-
Property, plant and equipment	-	68
Provisions and accruals	4	-
Accrued interest	-	39
Tax benefit of revenue losses not recognised	3,650	2,173
Other deferred tax balances not brought to account	-	-
	3,711	2,312
Less:		
Tax benefit of equity raising costs not recognised	127	122
- Exploration and evaluation expenditure	3,103	1,820
- Property, plant and equipment	141	-
- Accrued interest	7	-
Research and development tax concession rebate	78	344
	3,456	2,286
Income tax benefit attributable to entity	(78)	(344)
The applicable average weighted tax rates are	0%	0%

(c).The income tax benefit relates to the receipt of a refundable tax offset for research and development expenditure incurred in the reporting period ended 30 June 2009.

As at the date of this report, the potential refundable tax offset for the reporting period ended 30 June 2010 has not been determined.

NOTE 4: INCOME TAX BENEFIT (CONTINUED)

	2010	2009
	$000	$000
(d) Deferred Tax balances recognised:		
Deferred Tax Liabilities:		
At 30%		
Asset Revaluation Reserve	311	397
(e) The following deferred tax balances have not been recognised:		
Deferred tax assets:		
At 30%		
Carried forward income tax losses	10,159	6,493
Provisions and accruals	21	17
Capital raising costs	152	243
	10,332	6,753

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and
- The Company continues to comply with the deductibility conditions imposed by law; and
- No change in income tax legislation adversely affects the Company in utilising the benefits.

	2010	2009
	$000	$000
At 30%		
Exploration, evaluation and development expenditure	8,319	4,941
Accrued income	9	2
Property, plant and equipment	825	683
	9,153	5,626

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a. *Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:*

Peter Bennetto	Non Executive Chairman
Jonathan Downes	Managing Director
Adrian Byass	Executive Director
Gregory Campbell	Executive Director
David Kelly	Non Executive Director
Vincent Hyde	Non Executive Director (resigned 4 August 2009)
John McConnell	Non Executive Director (appointed 7 August 2009)
Erling Sorensen	Non Executive Director (appointed 9 October 2009, resigned 22 September 2010)
David Round	Chief Financial Officer and Company Secretary (resigned 15 February 2010)
Robert Orr	Chief Financial Officer and Company Secretary (appointed 15 February 2010)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

b. Options and rights holdings

2010	Balance 01.07.2009	Granted as Compensation	Options Exercised	Net Change Other*
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	5,000	-	(5,000)	-
Adrian Byass	5,000	-	(5,000)	-
Gregory Campbell	500	-	-	-
John McConnell	-	200	-	-
Don McLean (resigned 15 January 2010)	500	-	-	-
David Round (resigned 15 February 2010)	2,500	-	-	-
Total	13,500	200	(10,000)	-

2010	Balance 30.06.2010	Total Vested 30.06.2010	Total Exercisable 30.06.2010	Total Unexercisable 30.06.2010
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	-	-	-	-
Adrian Byass	-	-	-	-
Gregory Campbell	500	500	500	-
John McConnell	200	200	200	-
Don McLean (resigned 15 January 2010)	500	500	500	-
David Round (resigned 15 February 2010)	2,500	2,500	2,500	-
Total	3,700	3,700	3,700	-

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

c.Shareholdings

2010	Balance 30.6.2009	Received as compensation	Options exercised	Net change other	Balance 30.06.2010
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,235	-	5,000	(4,850)	8,385
Peter Bennetto	2,300	-	-	(2,026)	274
Adrian Byass	9,650	-	5,000	(4,315)	10,335
Gregory Campbell	1,500	-	-	-	1,500
Total	21,685	-	10,000	(11,191)	20,494

2009	Balance 30.06.2008	Received as compensation	Options exercised	Net change other	Balance 30.06.2009
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,235	-	-	-	8,235
Peter Bennetto	2,300	-	-	-	2,300
Adrian Byass	9,650	-	-	-	9,650
Gregory Campbell	1,500	-	-	-	1,500
Total	21,685	-	-	-	21,685

*Mr Jonathan Downes previously provided 2,500,000 shares to Opus Prime as part of a lending facility. Mr Downes held an indirect interest in these shares through his wife. Mr Downes commenced action seeking confirmation of his wife's title to these shares. These shares are not included in the total of his direct and indirect share holding in the Company. The administrator of Opus Prime sold the shares in 2008 and the matter was subsequently resolved and a settlement was reached.

d. Key management personnel compensation

	2010	2009
	$000	$000
The key management personnel compensation comprised:		
Short term employment benefits	992	933
Share based payments	29	-
	1,021	933

e. Individual Directors' and executives' compensation disclosure

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures as required by Corporation Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the group since the end of the previous financial year and there were no material contracts involving Directors' interest existing at the year end.

f. Parent entity

The ultimate parent entity within the Group is Ironbark

g. Wholly-owned group transactions
Loan to key management personnel
There were no loans to key management personnel at the end of the year.

NOTE 6: AUDITORS' REMUNERATION

	2010	2009
	$000	$000
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report	71	62

NOTE 7: LOSS PER SHARE

	2010	2009
	$000	$000
Loss used to calculate basic EPS	(1,031)	(889)
Loss used in the calculation of dilutive EPS	(1,031)	(889)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	252,813,846	213,286,311
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	252,813,846	213,286,311

NOTE 8: CASH AND CASH EQUIVALENTS

	2010	2009
	$000	$000
Cash at bank and in hand	13,285	1,203
Short term bank deposits	3,574	3,048
	16,859	4,251
The effective interest rate on short-term bank deposits was 4.6% (2009: 4.0%); these deposits have an average maturity of 90 days.		
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	16,859	4,251

NOTE 9: TRADE AND OTHER RECEIVABLES

	2010	2009
	$000	$000
Current		
GST receivable	82	23
Other receivables	3	1
Amounts received from		
Other related parties	69	53
	154	77

NOTE 9: TRADE AND OTHER RECEIVABLES (CONTINUED)

Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

NOTE 10: INVENTORIES

	2010	2009
	$000	$000
Fuel – at cost	-	107

NOTE 11: FINANCIAL ASSETS

	2010	2009
	$000	$000
Available-for-sale financial assets	1,110	1,806
Available-for-sale financial assets comprise:		
Listed investments, at fair value		
Shares in listed corporations	1,110	1,806
Total available-for-sale financial assets	1,110	1,806

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

NOTE 12: CONTROLLED ENTITIES

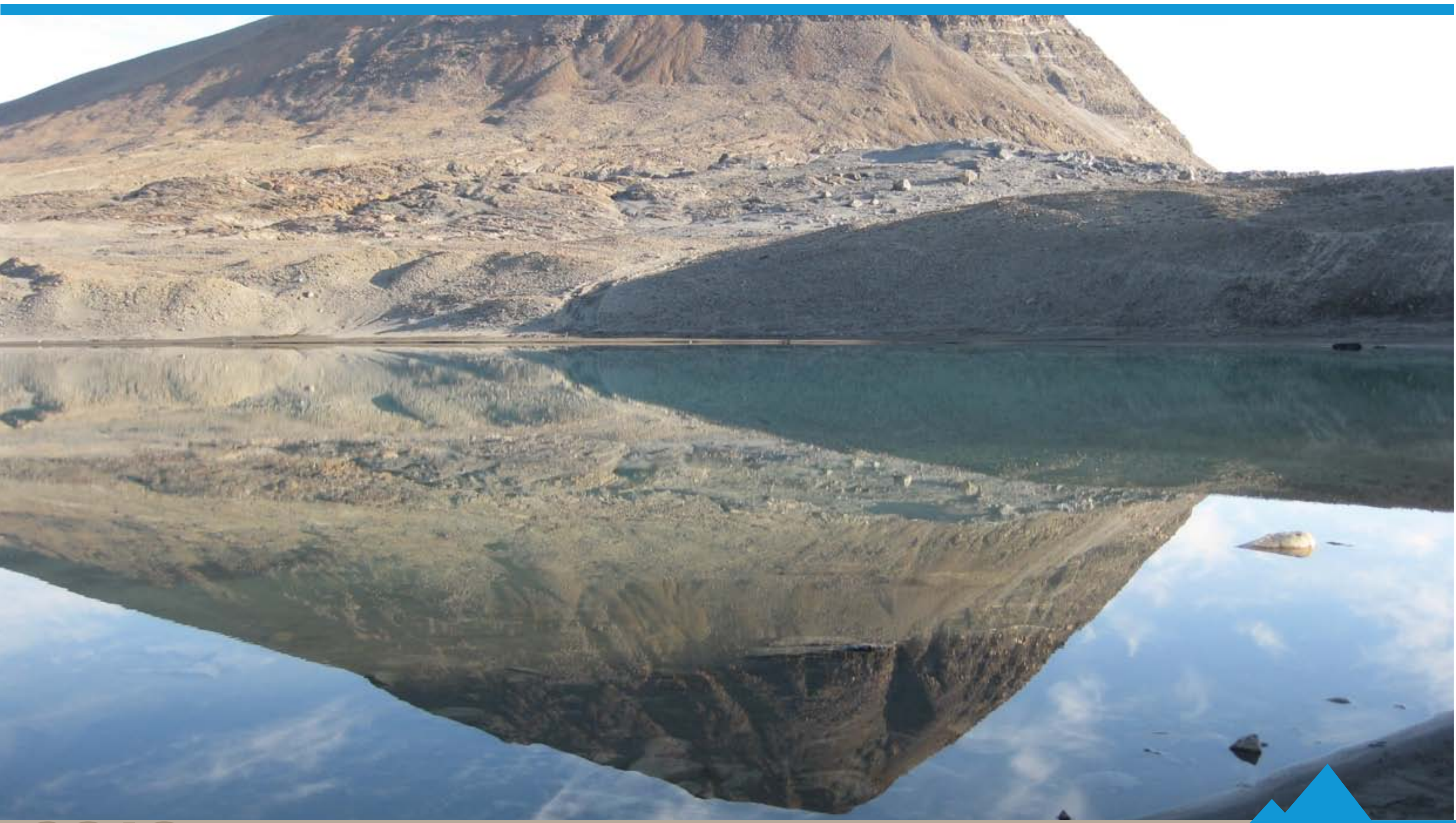
		Percentage owned	
	Country of incorporation	2010	2009
		%	%
Subsidiaries of Ironbark Zinc Limited:			
Bedford (No 3) Ltd	British Virgin Islands	100	100
Ironbark Zinc Pty Ltd	Australia	100	100
Doctor Evil Pty Ltd	Australia	100	100

NOTE 13: EQUITY ACCOUNTED INVESTMENT IN ASSOCIATED COMPANIES

	2010	2009
	$000	$000
Investments accounted for using the equity method		
Waratah Gold Limited	553	600

Movements during the year in Equity Accounted Investment in Associated Companies

Balance at beginning of the financial year	600	-
Add:		
New investments during the year	-	100
Share of associated company's retained losses during the year		
Realised gain on associated company	-	154
Share of changes recognised directly in equity	-	23
Fair value adjustment	82	417
Less:		
Share of loss for the year	(129)	(94)
Balance at the end of the year	553	600



NOTE 13: EQUITY ACCOUNTED INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

Waratah Gold Limited (WGO) was incorporated in Australia on 30 May 2007 and the Company holds 5,000,100 shares representing an ownership interest of 22.22% at 30 June 2010 (2009: 22.22%). WGO was a subsidiary until 7 July 2008 and was reclassified as an associate when it ceased to be a subsidiary. As the Company holds 22.2% at 30 June 2010 and since the Company has significant influence from representation on the WGO board it is classified as an investment in associate.

Waratah Gold Limited (Audited)	2010	2009
	$000	$000
Current assets	2,241	2,925
Non-current Assets	318	218
Total Assets	2,559	3,143
Current liabilities	70	72
Total Liabilities	70	72
Net assets	2,489	3,071
Revenue	109	191
Net loss	583	425
Share of associate loss	129	94

NOTE 14: PROPERTY, PLANT & EQUIPMENT

	2010	2009
	$000	$000
Plant and equipment:		
At cost	3,883	2,958
Accumulated depreciation	(1,052)	(645)
Asset written off	(2)	-
Total plant and equipment	2,829	2,313

	Plant and equipment
	$000
Consolidated Group:	
Balance at 1 July 2008	2,548
Additions	171
Disposals	-
Depreciation expense	(406)
Balance at 30 June 2009	2,313
Additions	925
Disposals	-
Asset written off	(2)
Depreciation expense	(407)
Balance at 30 June 2010	2,829

NOTE 15: OTHER ASSETS

	2010	2009
	$000	$000
Current		
Accrued interest	30	8
Bond	66	10
Prepayments	54	37
	150	55

NOTE 16: EXPLORATION EXPENDITURE

	2010	2009
	$000	$000
Exploration expenditure capitalised		
- exploration and evaluation phases	122,142	111,798
Accumulated depreciation	-	-
Total exploration expenditure	122,142	111,798
Movement in carrying value:		
Brought forward	111,798	105,732
Exploration assets acquired during the year	-	-
Exploration assets disposed of during the year	-	(24)
Exploration expenditure capitalised during the year	10,344	6,090
Impairment on exploration expenditure	-	-
At reporting date	122,142	111,798

Refer to Note 1(v) 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 17: TRADE AND OTHER PAYABLES

	2010	2009
	$000	$000
Trade payables	1,397	55
Sundry payables and accrued expenses	115	167
	1,512	222

NOTE 18: PROVISIONS

	Employee benefits
	$000
Consolidated Group:	
Opening balance at 1 July 2009	43
Additional provisions	17
Balance at 30 June 2010	60

	2010	2009
	$000	$000
Analysis of total provisions		
Current	60	43
Non current	-	-
	60	43

NOTE 19: ISSUED CAPITAL

	2010	2009
	No	No
a. Ordinary Shares		
320,392,667 (2009: 212,701,965) fully paid ordinary shares	96,791	74,165
Ordinary shares		
At the beginning of reporting period	212,701,965	212,701,965
Share split	-	-
Shares issued during the year		
- 06 October 2009	31,905,294	-
- 06 December 2009	20,938,265	-
- 03 May 2010	10,000,000	-
- 04 June 2010	44,847,143	-
At reporting date	320,392,667	212,701,965

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options
There were options issued to key management personnel during the financial year. For information relating to share options issued to key management personnel during the current and comparative financial year, refer to Note 24 Share-based Payments.

c. Capital Management
The Directors' primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Company. At reporting date the Company has no external borrowings. The Directors have no current plans to raise capital through the issue of additional shares in the Company. The Company is not subject to any externally imposed capital requirements.

NOTE 20: RESERVES

a. Asset revaluation reserve
The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

b. Option reserve
The option reserve records items recognised as expenses on valuation of employee share options.

NOTE 21: CAPITAL COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments and overseas government bodies. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Consolidated Entity's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report.

	2010	2009
	$000	$000
Exploration and evaluation expenditure payable not later than 12 months	4,410	1,601

NOTE 22: OPERATING SEGMENTS

Identification of reportable segments

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.

	Australia	Greenland	Total
	$000	$000	$000
i. Segment performance			
For the year ended 30 June 2010			
Revenue			
Interest revenue	285	-	285
Profit on sale of shares	91	-	91
R&D tax claim	78	-	78
Total segment revenue	454	-	454
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Depreciation expenses	(11)	(396)	(467)
Unallocated items:			
Other revenue			(420)
Share of net loss of associate			(129)
Other expenses			(1,369)
Net loss before tax			(1,031)
ii. Segment assets			
As at 30 June 2010			
Segment assets at 1 July 2009	1,328	112,890	114,218
Segment asset increase for the period:			
Exploration expenditure	164	10,074	10,238
Plant and equipment	45	470	515
Inventory	-	-	-
	1,537	123,434	124,971
Reconciliation of segment assets to group assets			
Unallocated assets:			
Equity accounted associate			553
Other assets			18,351
Total group assets			143,875

NOTE 22: OPERATING SEGMENTS (CONTINUED)

iii. Segment assets
As at 30 June 2010

	Australia	Greenland	Total
	$000	$000	$000
Segment liabilities at 1 July 2009			
Reconciliation of segment liabilities to group liabilities			
Other liabilities	668	1,215	1,883
Total group liabilities			1,883

iv. Segment performance
As at 30 June 2009

Revenue			
Interest revenue	368	-	368
Gain on de-recognition of subsidiary	115	-	115
Proceed from sale of tenements	118	-	118
Total segment revenue	601	-	601

Reconciliation of segment result to group net profit/(loss) before tax

Amounts not included in segment result but reviewed by the Board:			
Depreciation expenses	(9)	(397)	(406)
Unallocated items:			
Other revenue			378
Share of net loss of associate			(94)
Other expenses			(1,712)
Net loss before tax			(1,233)

v. Segment assets
As at 30 June 2009

Segment assets at 1 July 2008	1,211	107,301	108,512
Segment asset increase for the period:			
Exploration expenditure	125	5,941	6,066
Plant and equipment	(8)	(227)	(235)
Inventory	-	(125)	(125)
	1,328	112,890	114,218

Reconciliation of segment assets to group assets

Unallocated assets:			
Equity accounted associate			600
Other assets			6,189
Total group assets			121,007

vi. Segment assets
As at 30 June 2009

Segment liabilities at 1 July 2008			
Reconciliation of segment liabilities to group liabilities			
Other liabilities			662
Total group liabilities			662

NOTE 23: CASH FLOW INFORMATION

	2010	2009
	$000	$000
Reconciliation of cash flow from operations with profit after income tax		
Net loss for the year	(1,031)	(889)
Non cash flows in profit		
Depreciation	407	406
Net gain on disposal of property, plant and equipment	-	(118)
Net loss/(gain) on disposal of investments	(92)	38
Gain on derecognition of subsidiary	-	(115)
Share of associate's loss	129	94
Write off exploration expenditure	-	24
Write off plant and equipment	2	-
Share options expensed	29	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(188)	122
(Increase)/decrease in prepayments	(6)	16
Increase/(decrease) in trade payables and accruals	(52)	74
Increase/(decrease) in provisions	18	(2)
Cash flow from operations	(784)	(350)

NOTE 24: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

All options granted to key management personnel are ordinary shares in Ironbark, which confer a right of one ordinary share for every option held.

	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No 000	$	No 000	$
Issue to Directors				
Outstanding at the beginning of the year	10,000	.06	10,000	.06
Granted	200	.20	-	
Forfeited	-	-	-	-
Exercised	(10,000)	.06	-	-
Expired	-	-	-	-
Outstanding at year end	200	.20	10,000	.06
Exercisable at year end	200	.20	10,000	.06

NOTE 24: SHARE BASED PAYMENTS (CONTINUED)

	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No 000	$	No 000	$
Issue to staff				
Outstanding at the beginning of the year	3,500	.85	3,000	.85
Granted				
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	3,500	.85	3,500	.85
Exercisable at year end	3,500	.85	1,833	.85
Issue to vendors				
Outstanding at the beginning of the year	78,800	.30	80,000	.30
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	1,200	.30
Expired	(78,800)	.30	-	-
Outstanding at year end	-	-	78,800	.30
Exercisable at year end	-	-	78,800	.30

The options outstanding at 30 June 2010 had a weighted average exercise price of $0.82 and a weighted average remaining contractual life of 2.05 years.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTE 25: RELATED PARTY DISCLOSURES

i. Interests in and loans to and from controlled entities in subsidiaries are disclosed in Note 12. Amount receivable from Dr Evil Pty Ltd for the financial year ended 30 June 2010 was $38,530.

ii. Details relating to key management personnel, including remuneration paid and equity holdings are included in note 5.

iii. No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Company at the end of the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Ironbark charges Wolf Minerals Limited, Corazon Mining Limited and Waratah Gold Limited (all related parties) for shared office and salary expenses. The total charged for the financial year ended 30 June 2010 was $415,388. As at 30 June 2010 $68,568 was outstanding as a receivable to Ironbark Zinc Limited.

NOTE 26: EVENTS AFTER THE BALANCE SHEET DATE

i. Ironbark announced on 26 July 2010 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 base metals project (Captains Flat). 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.

ii. On 30 August 2010, Ironbark appointed Greg McMillan as Non Executive Director as the Nyrstar nominee.

iii. On 22 September 2010 Mr Erling Sorensen resigned as a Non Executive Director.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

NOTE 27: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to and from subsidiaries.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Consolidated Entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The currencies in which these transactions primarily are denominated are AUD, DKK, USD, NKK and CAD.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Entity.

Price risk

The Group is not exposed to commodity price risk.

Equity price risk arises from available-for-sale equity securities held. Material investments are managed on an individual basis and all buy and sell decisions are approved by the Board.

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	2010	2009
	$000	$000
Financial assets:		
Cash and cash equivalents	16,859	4,251
Receivables	154	77
Investments	1,663	2,406
Total financial assets	18,676	6,734
Financial liabilities		
Trade and sundry payables	1,512	222
Total financial liabilities	1,512	222
	17,164	6,512
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	1,512	222

iii. Net fair values

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps.

Fair values are materially in line with carrying values.

iv. Sensitivity analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2010	2009
	$000	$000
Change in profit:		
Increase in interest rate by 1% (100 basis points)	168	42
Decrease in interest rate by 1% (100 basis points)	(168)	(42)
Change in equity:		
Increase in interest rate by 1% (100 basis points)	168	42
Decrease in interest rate by 1% (100 basis points)	(168)	(42)

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign Currency Risk Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the USD, the Canadian Dollar (CAD), the Danish Kroner (DKK), the NOK with all other variables remaining constant is as follows:

	2010	2009
	$000	$000
Change in profit:		
Improvement in AUD to USD by 10%	-	-
Decline in AUD to USD by 10%	-	-
Change in equity:		
Improvement in AUD to USD by 10%	(49)	(32)
Decline in AUD to USD by 10%	60	39
Change in profit:		
Improvement in AUD to CAN by 10%	-	-
Decline in AUD to CAN by 10%	-	-
Change in equity:		
Improvement in AUD to CAN by 10%	(11)	(149)
Decline in AUD to CAN by 10%	13	183
Change in profit:		
Improvement in AUD to DKK by 10%	-	-
Decline in AUD to DKK by 10%	-	-
Change in equity:		
Improvement in AUD to DKK by 10%	(30)	(80)
Decline in AUD to DKK by 10%	36	97
Change in profit:		
Improvement in AUD to NOK by 10%	-	-
Decline in AUD to NOK by 10%	-	-
Change in equity:		
Improvement in AUD to NOK by 10%	(1)	(90)
Decline in AUD to NOK by 10%	1	109

Price Risk Sensitivity Analysis
The majority of the Group's and the parent entity's equity investments are publicly traded and are included in the ASX. The table below summarises the impact of increases/decreases of this index on the group's and the parent entity's post tax profit for the year and on equity. The analysis is based on the assumption that equity indexes had increased/decreased by 10% (2009: 10%) with all other variables held constant and all the group's equity instruments moved according to the historical correlation with the index.

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

	2010	2009
	$000	$000
Change in profit:		
Increase in All Ordinaries Index by 10%	-	-
Decrease in All Ordinaries Index by 10%	-	-
Change in equity:		
Increase in All Ordinaries Index 10%	107	150
Decrease in All Ordinaries Index by 10%	(107)	(150)

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2010	2009	2010	2009	2010	2009
	%	%	$000	$000	$000	$000
FINANCIAL ASSETS						
Cash at bank & on hand	4.6	4.0	16,859	4,251	-	-
Receivables	-	-	-	-	154	77
Investments	-	-	-	-	1,663	2,406
Total financial assets			16,859	4,251	1,817	2,483
FINANCIAL LIABILITIES						
Payables	-	-	-	-	1,512	222
Total financial liabilities			-	-	1,512	222

The above interest rate, foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTE 28: PARENT ENTITY DISCLOSURES

Financial Position	2010	2009
	$000	$000
Assets		
Current assets	17,280	4,529
Non-current assets	126,661	116,491
Total assets	143,941	121,020
Liabilities		
Current liabilities	1,573	265
Non-current liabilities	468	375
Total liabilities	2,041	640
Net assets	141,900	120,380
Equity		
Issued capital	96,791	74,165
Equity settled benefits	48,167	48,589
Investment reserves	1,092	875
Accumulated losses	(4,150)	(3,249)
Total equity	141,900	120,380

Financial Performance	2010	2009
	$000	$000
Loss for the year	901	871
Other comprehensive income/(loss)	217	(1,134)
Total comprehensive loss	(684)	(2,005)

NOTE 29: DIVIDENDS

The Board of Directors have recommended that no dividend be paid.

NOTE 30: CONTINGENT ASSETS AND LIABILITIES

The Company is unaware of any contingent assets or liabilities that that may have a material impact on the Company's financial position.

NOTE 31: COMPANY DETAILS

The registered office and principal place of business address is:

Ironbark Zinc Limited

Suite 5, Level 1

350 Hay Street

SUBIACO WA 6008

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. The following additional information is required by the Australian Securites Exchange Ltd in respect of the listed public companies only and is provided as at 9 September 2010.

a. Distribution of Shareholders	Number
Category (size of holding)	Distribution of holders
1 – 1,000	90
1,001 – 5,000	224
5,001 – 10,000	194
10,001 – 100,000	551
100,001 – and over	189
	1,248

b. There were no shareholdings held in less than marketable parcels.

c. The names of the substantial shareholders listed in the holding company's register as at 9 September 2010 are:

Shareholder	Number	
	Ordinary	Percentage
Nyrstar Intnl BV	97,690,702	30.49%
Singpac Inv Hldg Pte Ltd	44,110,593	13.76%
Bedford Res Hldgs Ltd	15,552,794	4.85%

d. Voting Rights

Ordinary shares
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Nyrstar Intnl BV	97,690,702	30.49%
2.	Singpac Inv Hldg Pte Ltd	44,110,593	13.76%
3.	Bedford Res Hldgs Ltd	15,552,794	4.85%
4.	UBS Wealth Mgnt Aust Nom	6,775,052	2.11%
5.	Standard Bank Plc	6,705,298	2.09%
6.	Cangu Pty Ltd	6,533,500	2.04%
7.	Jonathan Charles Downes	5,360,000	1.67%
8.	Eddie Sugar	5,150,000	1.61%
9.	Adrian Byass	5,012,500	1.56%
10.	Valiant Equity Mgnt Pl	4,505,000	1.41%
11.	Kale Cap Corp Ltd	3,735,000	1.17%
12.	Pylara PL	3,500,000	1.09%
13.	Lujeta PL	3,000,000	.94%
14.	Sincere Liberty Finance L	2,800,000	.87%
15.	National Nom Ltd	2,582,901	.81%
16.	Katrina Downes	2,500,000	.78%
17.	HSBC Custody Nom Aust Ltd	2,458,482	.77%
18.	Bassett M I L & S	2,215,000	.69%
19.	Boorongagil inv Pl	2,000,000	.62%
20.	Delbris PL Saxon S/F A/C	2,000,000	.62%
		224,186,822	69.95%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONTINUED)

2. The name of the Company Secretary is Robert Orr.

3. The address of the principal registered office in Australia is
Suite 5, Level 1, 350 Hay Street, SUBIACO WA 6008. Telephone +61 (0) 8 6461 6350.

4. Registers of securities are held at the following addresses.
Western Australia Security Transfer Registrars, 770 Canning Highway, APPLECROSS, WA 6153

5. Securities Exchange Listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

Fully Paid Ordinary Shares
There are no unquoted fully paid ordinary shares on issue.

Options over Unissued Shares
A total of 3,700,000 options are on issue. Of these 700,000 are on issue to 2 Directors, 3,000,000 to past employees.

CORPORATE GOVERNANCE

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2010

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director's report.

The names of the independent Directors of the Company are:

- Peter Bennetto
- John McConnell

When determining whether a Non Executive Director is independent the Director must not fail any of the following materiality thresholds:

- less than 10% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director; and
- none of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Company.

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the Directors' Report.

TRADING POLICY

The Company's policy regarding Directors and employees trading in its securities is set by the finance committee. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

AUDIT COMMITTEE

The names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee are included in the Directors' Report.

REMUNERATION POLICIES

The remuneration policy, which sets the terms and conditions for the key management personnel, was developed by the remuneration committee and was approved by the board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed half yearly which is based on the forecast growth of the Company's profits and shareholders' value. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the Company and the five highest paid executives, including all monetary and non-monetary components, are detailed in the Directors Report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the Company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

CORPORATE GOVERNANCE

The board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the Consolidated Group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

REMUNERATION COMMITTEE

The names of the members of the remuneration committee and their attendance at meetings of the committee are detailed in the Directors' Report.

There are no schemes for retirement benefits other than statutory superannuation for Non Executive Directors.

OTHER INFORMATION

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at:

WWW.IRONBARK.GL