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

HALF YEAR REPORT

31 DECEMBER 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Ironbark Zinc Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Peter Bennetto

EXECUTIVE MANAGING DIRECTOR
Jonathan Downes

EXECUTIVE TECHNICAL DIRECTOR
Adrian Byass

EXECUTIVE ENGINEERING DIRECTOR
Gregory Campbell

NON-EXECUTIVE DIRECTOR
Erling Sorensen
David Kelly
John McConnell

COMPANY SECRETARY
Robert Orr

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AUDITORS
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WEST PERTH WA 6005

SHARE REGISTER
Security Transfer Registrars Pty Ltd
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APPLECROSS WA 6153
Telephone: (08) 9315 2333
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SECURITIES EXCHANGE LISTINGS
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: IBG

BANKERS
Westpac Banking Corporation
1257-1261 Hay Street
WEST PERTH WA 6005

WEBSITE
www.ironbark.gl

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

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half year ended 31 December 2009.

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

Mr Peter Bennetto	Non Executive Chairman
Mr Jonathan Downes	Executive Managing Director
Mr Adrian Byass	Executive Technical Director
Mr Gregory Campbell	Executive Engineering Director
Mr Vincent Hyde	Non Executive Director (resigned 7 August 2009)
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)

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

COMPANY SECRETARY

Mr Robert Orr	Company Secretary (appointed 15 February 2010)
Mr David Round	Company Secretary (resigned 15 February 2010)

PRINCIPAL ACTIVITIES
During the half year the principal activities of the consolidated entity consisted of exploration and evaluation of the group's gold and zinc ground holdings.

RESULT OF OPERATIONS
The directors of Ironbark Zinc Limited advise the consolidated loss of the consolidated entity after providing for income tax for the half year to 31 December 2009 is $607,951 (2008: $594,181).

REVIEW OF OPERATIONS
This report summarises results of exploration conducted by Ironbark during the half year to 31 December 2009.

Citronen Base Metals Project
On 8 July 2009 Ironbark released the first drilling results for the 2009 season. Results were encouraging including 4.2m @11% zinc and 3m @ 5.3% zinc in the first hole.

On 30 September Ironbark announced the full and final results from the 23 diamond drill holes drilled for a total of 2,345m, taking the total metres drilled at the project to date to in excess of 46,000m in 204 drill holes. Drilling was focused on obtaining sample for metallurgical testwork, geotechnical investigations and also confirming tenor and continuity of high-grade zinc mineralisation in areas likely to be mined early in the project life. The 2009 campaign built on Ironbarks 2008 field season drilling program, which focused on resource expansion and resulted in a 38% increase in contained zinc metal content.

Drilling was completed on nominal 50m centres in the shallow portions of the Beach Level 2 Zone. An area of 450 by 150m was drilled – which equates to 4% of the global resource. This area was selected as mineralisation is shallow and representative of the global resource.

REVIEW OF OPERATIONS (CONT)

Citronen Base Metals Project

Of note is the number of greater than 10% zinc (Zn) plus lead (Pb) combined intercepts. These intercepts are generally <100m below surface, demonstrate the continuity of high-grade mineralisation and have the potential to provide early mine life high-grade mill feed.

Better results returned include:	CF09-182	**4.3m @ 12.0% (Zn + Pb)**
	CF09-183	**4.5m @ 12.5% (Zn + Pb)**
	CF09-184	**3.0m @ 13.1% (Zn + Pb)**
	CF09-185	**4.0m @ 11.2% (Zn + Pb)**
	CF09-186	**3.5m @ 10.3% (Zn + Pb)**
	CF09-187	**4.0m @ 10.9% (Zn + Pb)**
	CF09-201	**3.0m @ 12.3% (Zn + Pb)**
	CF09-202	**4.0m @ 11.2% (Zn + Pb)**
	CF09-204	**5.8m @ 10.5% (Zn + Pb)**

Ironbark is pleased that the drilling results are comparable to the November 2008 Citronen Resource Model. No material change to the 2008 resource is anticipated.

In addition to the increased confidence gained from drilling, over 1,000 kg of mineralised material obtained from drill holes was dispatched from site. This material is now at the Ammtec Burnie Research Laboratory in Tasmania where a feasibility level metallurgical test work program has commenced.

Geotechnical information was obtained from angled holes drilled during the season and will be incorporated into feasibility level mining studies. Geotechnical consultants have been engaged and are reviewing the data.

Ironbark believes the information obtained from this seasons field work represents a significant step forward for the project towards full feasibility and ultimately production.

In events subsequent to the year Ironbark announced a project update on 18 January 2010. The events announced significant project developments.

The first item reported was the excellent initial results from the latest metallurgical testwork program from the AMMTEC Burnie Research Laboratory in Tasmania. The testwork was based on samples from the Citronen Project.

A whole ore flotation on Beach Level 2 was conducted, from which a **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, however the Beach Level 2 Zone will represent the bulk of the first eight years of planned ore feed. The results are likely to be further improved when locked cycle testing is conducted later in the testwork program.

REVIEW OF OPERATIONS (CONT)

Citronen Base Metals Project

In addition, Ironbark received the report from preliminary geotechnical report from Snowden. The geotechnical appraisal of the project utilised five geological drill holes completed during the 2009 field season and historical data.

This work determined that Citronen is amenable to both open pit and underground mining techniques. The results are very encouraging and remove a significant amount of project risk as well as offering potential benefits for reduced operating and capital costs.

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 sample has been obtained during this year's field season.

Captains Flat Base Metal Project

No significant activities were undertaken at Captains Flat Base Metal Project during the reporting period.

Belara Base Metal Project

No significant activities were undertaken at the Belara Base Metal Project during the reporting period.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Ironbark Zinc Limited. Mr Byass has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appear.

DIRECTORS REPORT (CONT)

DIVIDENDS

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

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, in accordance with that Class Order amounts in the director's report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2009.

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

Jonathan Downes
Managing Director

Dated this 4 day of March 2010.

MACK & CO.
CHARTERED ACCOUNTANTS
GROWTH SUCCESS WEALTH

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AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF IRONBARK ZINC LIMITED AND CONTROLLED ENTITIES

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2009 there has been:

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

b. no contraventions of any applicable code of professional conduct in relation to the review.

MACK & CO

MACK & CO

N A Calder

N A CALDER
PARTNER
WEST PERTH

DATE: MARCH 4 2010

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	31 December 2009 $'000	31 December 2008 $'000
Revenue	392	540
Consultancy expenses	(90)	(120)
Depreciation and amortisation expenses	(178)	(202)
Directors fees	(47)	(105)
Employee benefits expense	(358)	(361)
Insurance expenses	(21)	(35)
Exploration expenditure written off	-	(9)
Occupancy expenses	(89)	(90)
Regulatory expenses	(104)	(78)
Administrative expenses	(16)	(134)
Share of net loss of associate	(97)	-
Loss before income tax expense	**(608)**	**(594)**
Income tax expense	-	-
Loss for the period	**(608)**	**(594)**
Other comprehensive income		
Loss on available for sale investments taken to equity	492	(1,452)
Other comprehensive income/loss for the period (net of tax)	492	(1,452)
Total comprehensive loss for the period	**(116)**	**(2,046)**
Earnings per share		
Basic and diluted loss per share (cents) calculated on loss for the period	(0.23)	(0.28)

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

IRONBARK ZINC LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	31 December 2009 $'000	30 June 2009 $'000
CURRENT ASSETS		
Cash and cash equivalents	9,460	4,251
Trade and other receivables	107	77
Inventories	84	107
Other current assets	111	55
TOTAL CURRENT ASSETS	9,762	4,490
NON-CURRENT ASSETS		
Plant and equipment	2,460	2,313
Exploration and evaluation expenditure	113,416	111,798
Investments accounted for using the equity method	600	600
Financial assets	1,395	1,806
TOTAL NON-CURRENT ASSETS	117,871	116,517
TOTAL ASSETS	127,633	121,007
CURRENT LIABILITIES		
Trade and other payables	153	222
Short-term provisions	44	43
TOTAL CURRENT LIABILITIES	197	265
NON-CURRENT LIABILITIES		
Deferred tax liabilities	592	397
TOTAL NON-CURRENT LIABILITIES	592	397
TOTAL LIABILITIES	789	662
NET ASSETS	126,844	120,345
EQUITY		
Issued capital	80,752	74,165
Accumulated losses	(3,790)	(3,182)
Reserves	49,882	49,362
TOTAL EQUITY	126,844	120,345

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

IRONBARK ZINC LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Issued Capital $'000	Accumulated Losses $'000	Revaluation Reserve $'000	Option Reserves $'000	Total $'000
Balance at 1 July 2008	74,165	(2,293)	1,909	48,589	122,370
Loss for the period	-	(594)	-	-	(594)
Loss on available-for-sale instruments	-	-	(1,452)	-	(1,452)
Total comprehensive income for the period	-	(594)	(1,452)	-	(2,046)
Transactions with owners, recorded directly in equity					
Difference arising from interest in subsidiary	-	115	-	-	115
Balance at 31 December 2008	74,165	(2,772)	457	48,589	120,439
Balance at 1 July 2009	74,165	(3,182)	750	48,612	120,345
Loss for the period	-	(608)	-	-	(608)
Gain/(loss) on available-for-sale instruments	-	-	492	-	492
Total comprehensive income for the period		(608)	492		(116)
Transactions with owners, recorded directly in equity					
Issue of share capital	6,606	-	-	-	6,606
Transaction costs	(19)	-	-	-	(19)
Equity compensation benefit	-	-	-	28	28
Balance at 31 December 2009	80,752	(3,790)	1,242	48,640	126,844

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	31 December 2009 $'000	31 December 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(628)	(722)
Interest received	101	382
Net cash used in operating activities	(527)	(340)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(324)	(159)
Loans	-	(1)
Payments for exploration and evaluation	(1,618)	(3,837)
Payments for investments	-	(38)
Proceeds from sale of investments	1,091	-
Net cash used in investing activities	(851)	(4,035)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	6,606	-
Payments for cost of issue of shares	(19)	-
Payments for divestment of subsidiary	-	(2,709)
Net cash provided by/(used in) financing activities	6,587	(2,709)
Net increase/(decrease) in cash held	5,209	(7,084)
Cash and cash equivalents at the beginning of the period	4,251	13,283
Cash and cash equivalents at the end of the period	9,460	6,199

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

NOTE 1: BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

Statement of Compliance

The half year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Ironbark Zinc Limited is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. These consolidated interim financial statements were approved by the Board of Directors on 3 March 2010.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Ironbark Zinc Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those in the most recent annual report.

The half year report does not include full disclosures of the type normally included in an annual financial report.

The presentation and functional currency is Australian Dollars.

Reporting Basis and Conventions

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

Going Concern Basis

The financial statements have been prepared on the going concern basis. As at 31 December 2009 the consolidated entity had net assets of $126,843,928 (30 June 2009: $120,344,758) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2009 the consolidated entity had $9,460,157 (30 June 2009: $4,250,985) 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.

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

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.

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) *Classification of investments*
The consolidated entity has decided to classify investments in listed securities as available for sale. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the revaluation reserves.

(iv) *Income tax expenses*
Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the balance sheet. 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.

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

Accounting Policies
Principles of Consolidation
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ironbark Zinc Limited ('company' or 'parent entity') as at 31 December 2009 and the results of all controlled entities for the half year then ended. Ironbark Zinc Limited and its controlled entities together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities over which the parent 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 parent entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the parent 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.

In preparing the consolidated financial statements, all intercompany balances and transactions between entities within the consolidated entity are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the parent entity.

All controlled entities have a 30 June financial year end.

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 income statement.

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 income statement.

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

Exploration and Evaluation Assets (cont)
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.

Impairment of Assets
At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Investments in Associates
Associate companies are companies in which the consolidated entity has significant influence through holding directly, or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statement by applying the equity method of accounting whereby the investments is initially recognised at cost and adjusted thereafter for the post acquisition change in the groups share of net assets of the associate company. In addition, the groups share of the profit or loss of the associate company is included in the entity's profit or loss.

Accounting Standards not previously applied
The consolidated entity has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

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

Accounting Standards not previously applied (cont)
Presentation of Financial Statements
AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income;
- the renaming of other financial statements in accordance with the Standard; and
- the presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments
From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the consolidated entity's chief operating decision maker which, for the consolidated entity, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included where applicable.

Business Combinations and Consolidation Procedures
Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the consolidated entity, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.

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

Accounting Standards not previously applied (cont)
Business Combinations and Consolidation Procedures (cont)

- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent consolidated entity.
- If the consolidated entity holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the consolidated entity can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The consolidated entity elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

NOTE 2: SEGMENT INFORMATION

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

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

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

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

NOTE 2: SEGMENT INFORMATION (CONT)

	Australia	Greenland	Total
	$'000	**$'000**	**$'000**
(i) Segment performance			
Six months ended 31 December 2009			
Revenue			
Interest revenue	102	-	102
Profit on sale of shares	92	-	92
Total segment revenue	194	-	194
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
• Depreciation expenses	(3)	(175)	(178)
Unallocated items:			
• Other revenue			198
• Share of net loss of associate			(97)
• Other expenses			(725)
Net loss before tax from continuing operations			(608)
(ii) Segment assets			
As at 31 December 2009			
Segment assets	1,327	112,891	114,218
Segment asset increase for the period:			
• Exploration expenditure	51	1,567	1,618
• Plant and equipment	17	130	147
• Inventory	-	(23)	(23)
	1,395	114,565	115,960
Reconciliation of segment assets to group assets			
Unallocated assets:			
• Equity accounted associate			600
• Other assets			11,073
Total group assets			127,633
(iii) Segment liabilities			
As at 31 December 2009			
Segment liabilities	-	-	-
Reconciliation of segment liabilities to group liabilities			
• Other liabilities			789
Total group liabilities			789

NOTE 2: SEGMENT INFORMATION (CONT)

	Australia	Greenland	Total
	$'000	$'000	$'000
(iv) Segment performance			
Six months ended 31 December 2008			
Revenue			
Interest revenue	262	-	262
Proceed from sale of tenements	118	-	118
Total segment revenue	380	-	380
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
• Depreciation expenses	(5)	(197)	(202)
Unallocated items:			
• Other revenue			198
• Share of net loss of associate			-
• Other expenses			(970)
Net loss before tax from continuing operations			(594)
(v) Segment assets			
As at 30June 2009			
Segment assets	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 liabilities			
As at 30 June 2009			
Segment liabilities	-	-	-
Reconciliation of segment liabilities to group liabilities			
• Other liabilities			662
Total group liabilities			662

NOTE 3: CONTINGENT LIABILITIES

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

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen subsequent to 31 December 2009 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting consolidated entity in future financial periods.

NOTE 5: DIVIDENDS

No dividends have been declared or paid during the half year ended 31 December 2009.

NOTE 6: CAPITAL COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the consolidated entity has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to recognition upon expiry of the leases, are not provided for in the financial statements and are payable:

	$
Exploration and evaluation expenditure	1,284,000
Payable:	
- Not later than 6 months	428,000
- Longer than 6 months but not longer than 12 months	428,000
- Longer than 12 months but not longer than 18 months	428,000

If the consolidated entity decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations

	31 December 2009 $'000	30 June 2009 $'000
NOTE 7: CONTRIBUTED EQUITY		
(a) Issued and fully paid shares		
265,545,524 (2009: 212,701,965) fully paid ordinary shares	82,732	76,126
Less: capital issue costs net of tax	(1,980)	(1,961)
	80,752	74,165

(b) Movements in issued and fully paid shares

	Number of shares	$'000
Balance at the beginning of the period	212,701,965	74,165
Shares issued	52,843,559	6,606
Less: capital issue costs	-	(19)
Balance at the end of the period	265,545,524	80,752

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

DIRECTORS' DECLARATION

The directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 7 to 19 are in accordance with the Corporations Act 2001, and:

   (a) comply with Accounting Standard AASB 134: Interim Financial Reporting, and

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Jonathan Downes
Managing Director

Dated this 4 day of March 2010.

MACK & CO.
CHARTERED ACCOUNTANTS
GROWTH SUCCESS WEALTH

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PO BOX 609, WEST PERTH WA 6872

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF IRONBARK ZINC LIMITED

Report on the Half year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Zinc Limited and controlled entities (the consolidated entity) which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

Director's Responsibility for the Half-Year Financial Report

The directors of Ironbark Zinc Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policie and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Consolidated entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporation Regulations 2001 and other mandatory financial reporting requirements in Australia. As the auditor of Ironbark Zinc Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

Basis for Qualified Conclusion
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. Had we been able to verify their existence and condition, matters may have come to our attention indicating that adjustments might be necessary to the half year financial report.

Qualified Conclusion
Except for the adjustments to the half year financial report that we might have become aware of had it not been for the situation described above, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Ironbark Zinc Limited and controlled entities is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair value of the consolidated consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date, and
- Complying with AASB 1334: Interim Financial Reporting,, and the Corporations Regulations 2001.

MACK & CO

MACK & CO

N A Calder

N A CALDER
PARTNER
WEST PERTH

DATE: MARCH 4 2010