IRONBARK Zinc Limited

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"Set for Growth..."

Quarterly Activities Report

Ending 31 December 2011

Figure 1: Metso Engineering designed conceptual process plant on site

DECEMBER 2011 QUARTER

Developments during the quarter

Ironbark Zinc Limited ("Ironbark") is pleased to report on another active quarter in which Ironbark progressed towards building a base metals mining house.

Shareholders strongly supported and approved a funding package provided by Glencore International AG (Glencore) who has made a US$50 million facility available to the company. This is provided primarily for acquisitions of base metal projects or companies. The facility places Ironbark in a very strong position to create a leading international base metals company at a time when the Company believes considerable acquisition opportunities exist. The Conversion price of A$0.42 for the first US$30 million (at Ironbark or Glencore's election to convert) and A$0.50 for the next US$20 million (at Glencore's election to convert) represents a significant premium to Ironbark's recent share price.

Subsequent to the Quarter, Ironbark's ongoing work resulted in a significant increase in resources and mine study optimisation upgrades at the Citronen base metals project ("Citronen"). Citronen now hosts in excess of 13 billion pounds of zinc and lead metal.

Work is continuing under the previously announced MOU with NFC and Arccon (WA) Pty Ltd ("Arccon"), a subsidiary of the Allmine Group Limited (ASX:AZG). Under this agreement Ironbark will work with NFC and Arccon to provide engineering and construction services for the development of the Citronen base metal project.

Drilling at Washington Land

Ironbark received results from drilling at The Cass Prospect in Washington Land, Greenland. The Cass prospect is situated in the Franklinian Basin which spans Northern Greenland into Canada and also hosts the Citronen project, Polaris and Nanisivik historic high lead and zinc mines located in Baffin Land, Canada.

Significant widths of primary zinc-lead-silver-barite mineralisation were drilled around and along strike from the single discovery drill hole completed by Rio Tinto PLC ("Rio Tinto") in 1999. All holes drilled over a 2.7km strike were mineralised. The results validate the Washington Land project as having the potential to host a large scale base metal resource.

Significant results included 3m @ 16.4% zinc + lead, 77 g/t silver within 17m @ 4.1% zinc + lead, 23 g/t silver from 48m in CAS011, and 2.5m @ 8.7% zinc + lead, 134 g/t silver within 9.5m @ 4.9% zinc + lead, 65 g/t silver from 17.5m in CAS002.

Drilling at Mestersvig

Ironbark received high grade drill results from diamond drilling conducting during May to June in 2011 at the historic Blyklippen mine as well as regional exploration.

Results included 1.1m @ 12.2% zinc + lead and 8.2 g/t silver from 263m in BK03 beneath the Blyklippen mine. This is significant because it proves a down dip extension of over 200m for mineralisation below the historical workings. Also, along strike, drilling returned 2.5m @ 8.9% zinc + lead, 2 g/t silver in SB017 and 1.0m @ 17.3% zinc + lead, 4 g/t silver in SB019 at the Sortebjerg prospect to the south of Blyklippen

Drilling at Captains Flat

Ironbark's joint venture partner, NSW Base Metals Pty Ltd (a subsidiary of Glencore International AG) completed a diamond drillhole at the Jerangle Prospect in the September quarter.

The result was an encouraging broad intercept of 43.3m of mineralisation grading 1.9% zinc, 0.3% lead, 0.1% copper and 3.8 g/t silver from 355.5m and a second broad zone of mineralisation of 13.6m @ 2.0% zinc, 0.1% lead, 0.3% copper and 1.8 g/t silver from 414.7m. High grade zones such as 2.2m @ 8.0% zinc from 378m and 4.4m @ 5.0% zinc from 386.8m were intercepted within the broader mineralisation.

Developments Subsequent to the Quarter

Subsequent to the quarter, Ironbark announced significant developments covering the resource and engineering aspects of the Citronen project.

Resource Upgrade

Ironbark has continued to interpret and estimate resources based on recently received information. Subsequent to the Quarter, Ironbark announced a substantial resource upgrade in both grade and confidence at its wholly owned, Citronen base metals project. The resource upgrade is based on successful drilling conducted by the company during 2011 and is based on over 60,000 metres of diamond drilling since discovery.

The contained tonnage of Indicated and Measured resources increased by over 50% as compared to previous releases as well as a 10% increase in the total contained metal inventory. The resource is summarised in the table in the "About Ironbark" section.

A minor revision has been made to the resource estimate following a final review of the resource estimate as announced on 9 January 2012. The amendment has not impacted the Mining Study as it is related to reporting only. The new amended resource estimate is provided in the "About Ironbark" section.

Mining Study

Minable Shape Optimiser (MSO) evaluations were run by an independent mining contracting group on the new resource model. MSO is an underground optimisation tool that maximises the value of the resource given stope geometry and design rules to determine the volumes of minable material.

The preliminary results show a substantial tonnage of material available for mining evaluation at a 23% higher grade than previously estimated resulting from the increase in the 2012 resource estimate. This is expected to have a significantly positive impact on the ongoing feasibility study.

Partial stope optimisation on this cut-off yielded 40 million tonnes of ore available for mining at a grade of 6.2% zinc and 0.5% lead. High-grade areas will be targeted for early production where possible.

The MSO optimisations are indicative of the possible mining inventory at the evaluated cut-off grade. They do not account for mining recovery, dilution and do not give consideration to the location/spatial relationship of optimised stopes or the practicality of extraction. Work to include these factors and the influence on the mining tonnes available is ongoing.

ABOUT IRONBARK

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. Ironbark has a US$50M funding facility provided by Glencore International AG.

Ironbark seeks to build shareholder value through exploration and development of its projects and also seeks to actively expand the project base controlled by Ironbark. The management and board of Ironbark have extensive technical and corporate experience in the minerals sector.

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

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

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

Using Ordinary Kriging interpolation and reported at a 3.5% Zn cut-off

within a larger resource of:

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	43.1	4.2	0.5	4.7
Indicated	51.2	4.2	0.4	4.7
Inferred	37.7	3.8	0.4	4.2
Total	132.0	4.0	0.4	4.5

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

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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.