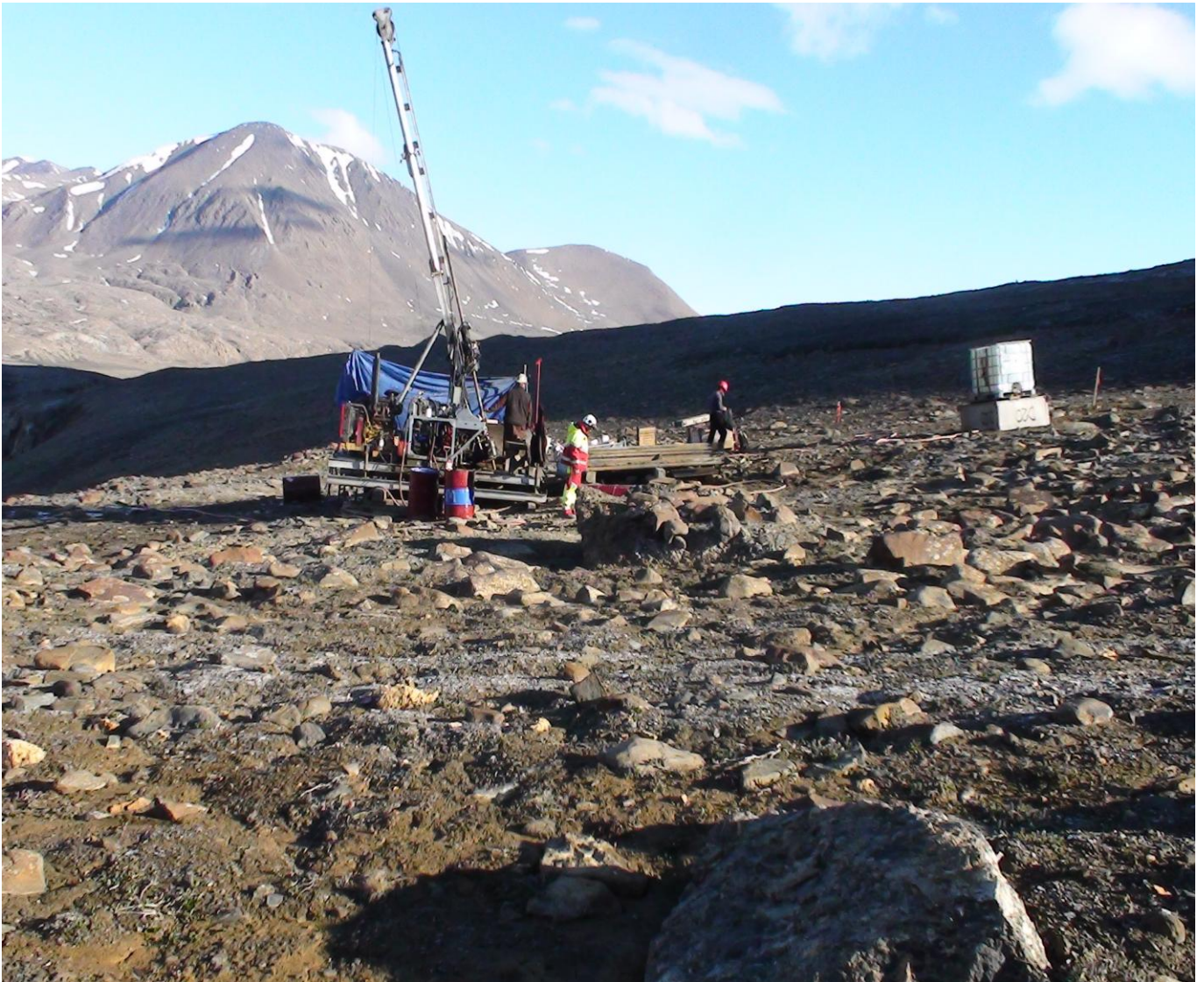


# Quarterly Activities Report

Ending 30 September 2010

**“Moving towards production”**



# HIGHLIGHTS DURING THE SEPTEMBER QUARTER

## 1. Exploration Discovery

Ironbark drilled several exploration holes targeting possible extensions of the Citronen mineralisation outside of the previous resource areas. Three holes represent extensional holes that highlight the significant and open ended nature of the defined mineralisation

## 2. Further Drilling Results

Ironbark announced further drill results from Citronen including exceptionally high grade results such as drill hole CF10\_249 which returned **16 metres @ 20.8% zinc** and CF10\_271A which returned **7m @ 22.3% Zn+Pb**

## 3. Ironbark Engineering Update

Following the largest field season undertaken at Citronen the Feasibility Study is progressing on schedule and budget. Ironbark hopes to complete the Feasibility Study towards the end of 2010.

Work reported included:

- Mining Studies
- Site Layout
- Metallurgy
- Process Plant
- Survey
- Schedule

## 4. About Citronen

A summary of the Citronen project and JORC compliant resource tables

Ironbark Zinc Limited (Ironbark) is pleased to report to its shareholders on the progress of the Citronen Base Metal Project (Citronen) and remains focused on developing Citronen to become a major base metal producer. The Company remains well funded and well placed to progress the development of Citronen culminating in the targeted completion of a Definitive Feasibility Study towards the end of 2010.

## 1. Exploration Discovery

Ironbark drilled several drill holes targeting possible extensions of the Citronen mineralisation outside previous resource areas. Three holes represent extensional holes that highlight the significant and open ended nature of the defined mineralisation. The most recent fence of drill holes has shown that the mineralisation extends to the South East by a further 1.5km from the Discovery ore body – see Figure 1.

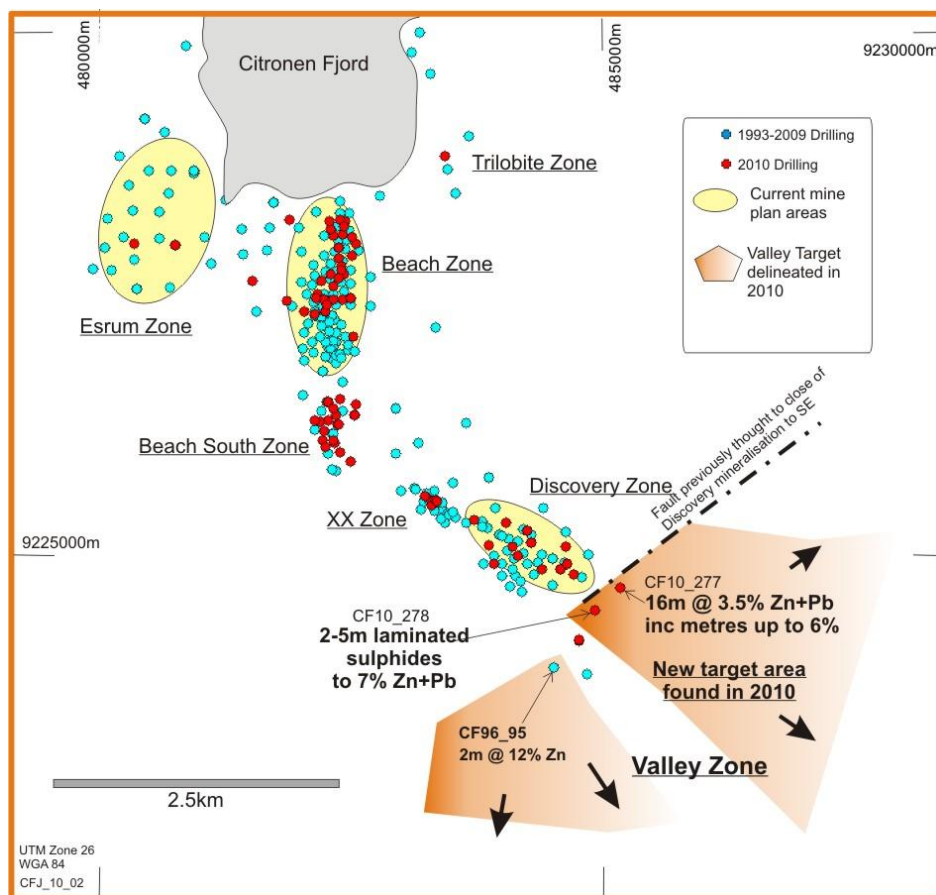


Figure 1 Exploration drilling

The previous estimates of a target resource as released to the ASX on 28 January 2010 may be upgraded with the final scale of the extent of the Citronen mineralisation unknown at this time. Further drilling will be required to define any higher grade mineralisation that typically lies within the broader mineralised envelopes as identified within Citronen.

## 2. Further Drilling Results

Ironbark announced further drill results from Citronen including exceptionally high grade assay results such as drill hole CF10\_249 which returned **16 metres @ 20.8% zinc** and CF10\_271A which returned **7m @ 22.3% Zn+Pb**.

These mineralised intercepts are extremely encouraging and represent the highest grades returned from any holes previously drilled in the +62,000 metres of diamond drilling conducted to date at Citronen. Both these high grade holes are located outside the current resource estimate. The results from the 2009 and 2010 drilling will form the basis of a resource upgrade that is due for completion in late November 2010. The updated resource estimate will then be used for a final mine plan and optimised schedule for the Feasibility Study.

## 3. Ironbark Engineering Update

Following the largest field season undertaken at Citronen the Feasibility Study is progressing on schedule and budget. Ironbark hopes to complete the Feasibility Study towards the end of 2010.

### Mining – Open Pit

The preliminary open pit mineable inventory has been revised upwards and may now represent 10 million tonnes of mineralised feed and 17 million tonnes of waste using an unconstrained whittle run representing a significant increase in potential minable mineral feed (Figure 2). The ore to waste ratio in the first year of production is very low at 1:1.1. The overall tonnage may be reduced to account for the seasonal river which cuts through the western area of the open pit. The mineralisation remains drill constrained and will be re-evaluated following the final resource estimate to be conducted later this year once a final resource estimation has been made incorporating the 2009 and 2010 drilling data.



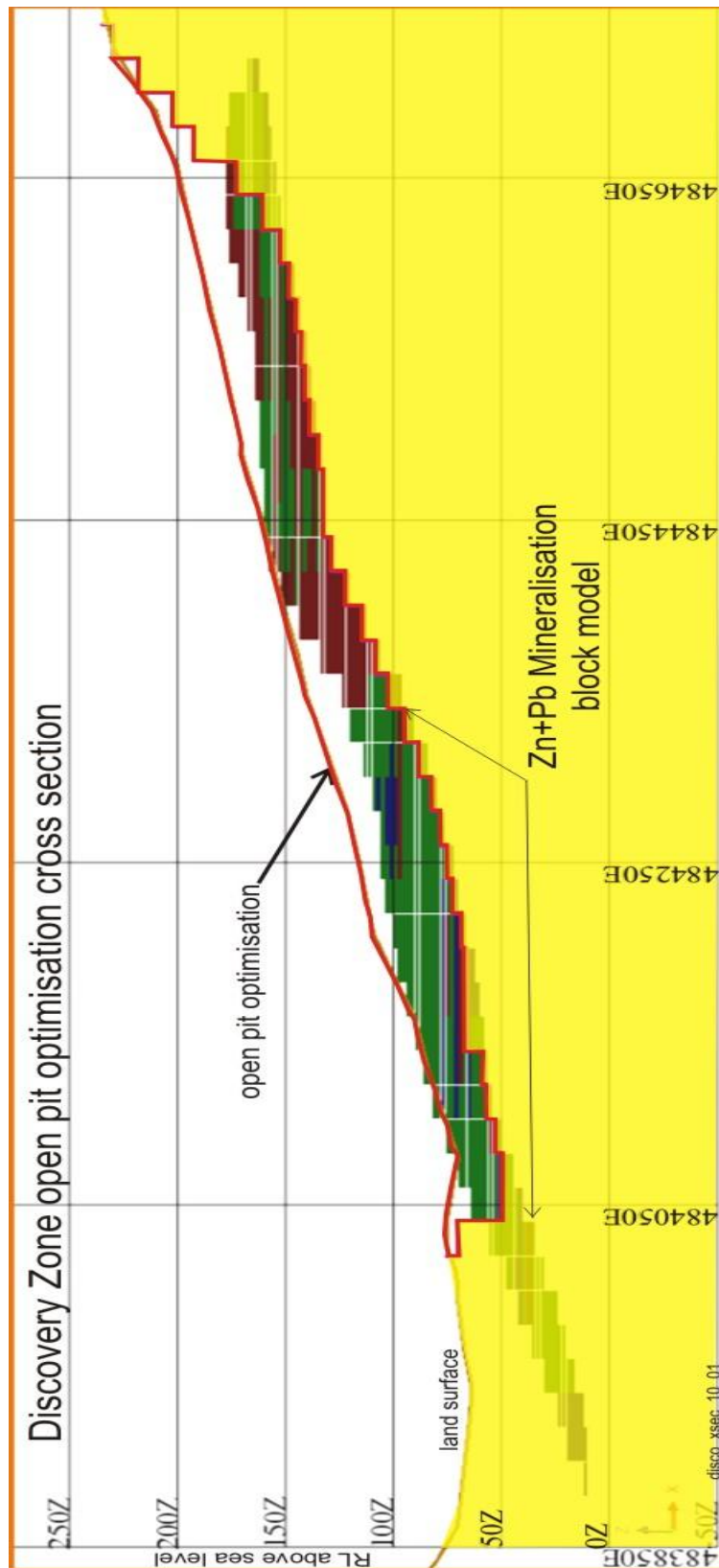


Figure 2 Cross section of Discovery Open Pit plan and wall angles

The cost for the open pit mining is estimated at US\$ 2.70/tonne moved. Mining recovery is estimated at 97%, with a dilution factor of 5.7%. Operating bench heights will be 5 metres mined in 2 x 3 metre flitches.



## **Metallurgy**

The overall testwork program is continuing, utilising both AMMTEC's Perth and Tasmanian laboratories. The crushing, Dense Media Separation (DMS) and primary grinding work is being performed in Perth. Flotation and dewatering tests are being conducted at the Burnie research Laboratory. Secondary grinding work and additional crushing tests are being conducted by Metso at their dedicated laboratories in Europe.

The DMS testwork has been conducted on the Beach and Discovery mineralisation –the first scheduled feed sources to the plant. An investigation into the optimum crush size for feed to the DMS has been conducted, leading to a top size increase to 38 mm (the maximum practical size for the DMS cyclone). Encouragingly all mass to sinks, zinc (Zn) and lead (Pb) distributions remains consistent across all size fractions.

Flotation optimisation is ongoing and has been concentrating on reducing lime and reagent requirements.

## **Process Plant**

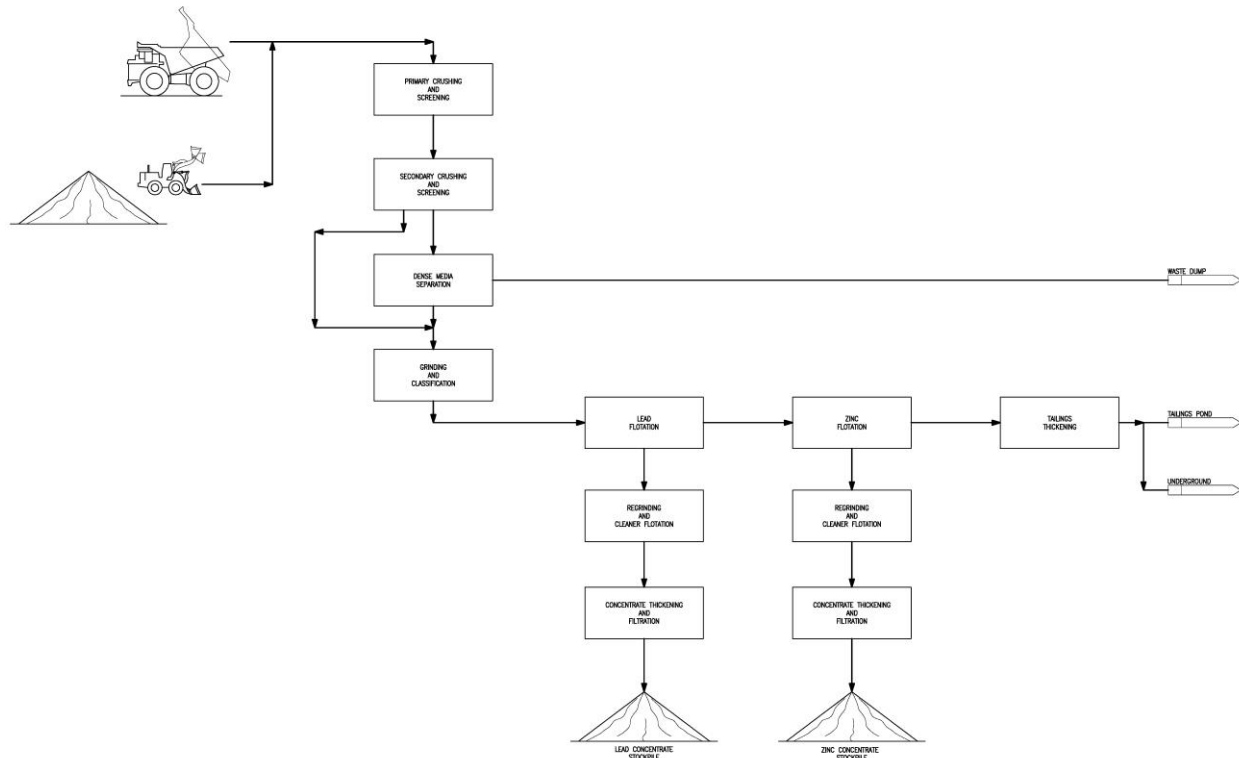
An overall process flowsheet is presented in Figure 4. which shows the planned process regime.

The primary crushing plant will be located as its own installation and will consist of:

- ROM pad,
- Dump hoppers for 90t trucks,
- Primary Jaw Crushers
- Plant Feed Conveyor

The remaining equipment will be located on the process plant barges and consists of the following equipment:

- Secondary Crushing
- Dense Media Separation
- Spirals
- Milling
- Lead flotation
- Zinc flotation
- Concentrate and tailing dewatering



**Figure 4 Overall process flowsheet**

The process plant will be constructed on 3 barges and then towed to site and floated into pre-constructed berths.

Tailings will be pumped to the tailings storage facility dam during the early production years, thereafter being placed underground.

## Bathymetry

A Bathymetric survey of the lake and fjord was completed during early August. The preliminary plans show that the current Lake Platinova holds 0.5 gegalitres of water, requiring a dam wall to be constructed over certain areas up to 8 metres high to meet the process plant water requirements. The survey also showed that the water at Citronen Fjord becomes deep close to shore allowing the selection of the proposed wharf for shipping access.

## Tailings Dam and Water Management

The tailings dam starter facility (first lift) will be designed for 1 year of tailings storage representing approximately 1.6 million tonnes. This will lead to an embankment height of 19.5 metres.

To ensure sufficient water is available for the process plant, Lake Platinova will be dammed. The embankment will crest at 8 metres and will store an additional 1.5 gegalitres of water (in addition to the 0.5 gegalitres of existing capacity). This volume of water storage will require pumping from the Eastern River over summer at a rate of 1000 m<sup>3</sup>/hour for a total of 3 months.



## Topography

Topographic photos and site surveying work has been completed with final orthorectified data processed and an overall site Digital elevation Model has been produced.

## Schedule

The overall schedule remains on course to finish the report in December. The key risk to the schedule is the time for the environmental leaching tests to be completed, potentially a pre-condition for submitting the Environmental Impact Assessment.

## 4. About Citronen

Ironbark Zinc Limited is a well funded Company listed on the Australian Securities Exchange (ASX: IBG) and is focused 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
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Inferred resource of 25.9Mt @ 5.0% Zn and 0.7% Pb
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*Using inverse distance squared ( $ID^2$ ) interpolation and reported at a 3.5% Zn cut-off*

including a higher grade resource of:

### **22.6 million tonnes at 8.2% zinc (Zn) + lead (Pb)**

Indicated resource of 14.3Mt @ 7.8% Zn and 0.7% Pb
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Inferred resource of 8.2Mt @ 7.1% Zn and 0.7% Pb
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*Using inverse distance squared ( $ID^2$ ) interpolation and reported at a 5% Zn cut-off*

within a larger global resource of:

### **101.7 million tonnes at 4.7% zinc (Zn) + lead (Pb)**

Indicated resource of 50.2Mt @ 4.5% Zn and 0.5% Pb
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Inferred resource of 51.5Mt @ 3.8% Zn and 0.6% Pb
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*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.*