

2 March 2007

The Manager,  
Company Announcement Office,  
Australian Stock Exchange Limited

## **MAJOR ZINC PROJECT ACQUISITION**

### **SUMMARY**

Ironbark Gold Limited (Ironbark) has entered into an agreement to acquire 100% of the Citronen Zinc Project (Citronen) in Greenland.

Citronen represents one of the worlds largest undeveloped zinc resources. Citronen is located in northern Greenland (Figure 1), a self governed territory of the Kingdom of Denmark. This major acquisition significantly increases the scope of Ironbark towards becoming a substantial zinc producer.

The most recent resource estimate stands at **~17 million tons at 7.8% zinc and 0.9% lead (~8.3% zinc equivalent)**. This is based on 32,826 metres of diamond drilling conducted between 1993 and 1996 returning intercepts such as 28.8 metres @ 9.7% zinc (including a higher grade zone of 8.5m @ 19.0% zinc).

Ironbark considers that Citronen offers exceptional **large scale, low risk, long life and high margin production potential** as well as an **outstanding exploration opportunity** with the extent of mineralisation yet to be determined.

The mineralisation is considered to be of a SEDEX style zinc deposit and this model is potentially very large. The mineralisation starts from the surface and is shallow, flat lying and adjacent to a deep water fjord that may provide near mine ship docking and loading opportunities.

Following successful due diligence, Ironbark has agreed to purchase 100% of Citronen for \$6M cash and 8M shares in Ironbark, plus 16M options in Ironbark with an exercise price of \$1.50 and maturity date of 1 February 2010.

Separately, a 2.5% net smelter royalty (NSR) is payable.

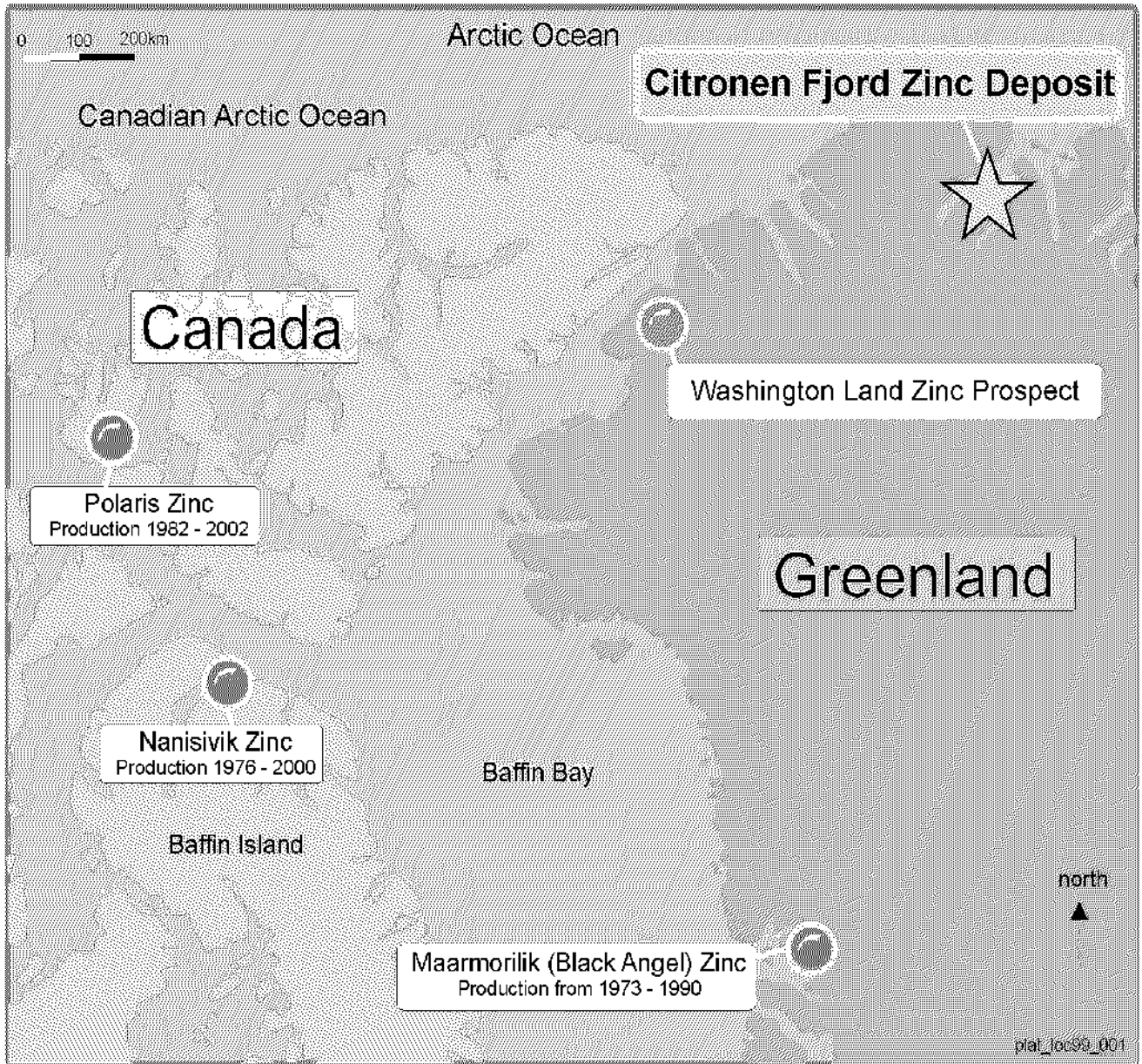


Figure 1: Location Plan - Citronen Zinc Project and other historic zinc mines

## **Discovery**

The Citronen Zinc Project was discovered in 1993 by Platinova A/S (partially owned by the Government of Greenland) and was the subject of 4 further campaigns of investigation until 1998 and at a time of exceptionally low base metal prices (Zinc ~US\$0.40/lb).

## **Exploration Potential**

As a result of being a recent discovery (1993) and the poor prevailing metal prices at that time, Citronen is considered to offer a rare level of true exploration potential as it is under explored and open ended. Ironbark cannot comment on the total potential size of Citronen at this time, although 16.8Mt are currently either at indicated or inferred level. Exploration to date (1993-1997 drilling) was curtailed prior to delineation of the extents of mineralisation due to a combination of factors, such as a worldwide contraction in exploration expenditure resulting from historically low metal prices (<\$US 0.40 /lb Zn in 1998) and continued exploration success not defining the limits of significant mineralisation. A target resource of at least 20Mt to 25 Mt was estimated by Platinova A/S based on surface mapping and gravity data to date within the main project area.

There is considerable further exploration potential such as identified by the most south-eastern drill hole that intercepted 12% zinc over 2 metres from 95.5 metres depth (see Figure 2). This hole is located 550 metres from the nearest drill hole. There is no drilling beyond this point.

The Ironbark geological team is very excited by the opportunity to advance Citronen from both an exploration and a development perspective and has already commenced plans to aggressively explore the property as soon as possible.

## **Resource**

The Citronen resource (see Table 1) was reported to the Toronto Stock Exchange in 1999 and was calculated from 147 diamond drill holes for 32,826 metres of diamond drill core. The majority of the drilling is vertical and mineralised intercepts represent close to true width of the ore body that dips at between 5 and 7 degrees to the North. The ore body starts from surface with the bulk of the resource to date recorded at less than 200 metres depth.

A scoping study was conducted by Kvaerner on a high grade portion of the resource known as the Beach Zone. The Beach Zone resource was reviewed by Strathcona – an independent geological consultant.

Table 1: Citronen Resource Estimate

### Citronen Project Resource Estimate (1)

Million tonnes (Mt)	% Zinc (Zn)	% Lead (Pb)	Category
7.1	8.8	1.1	Indicated <sup>(2)</sup>
9.7	7.1	0.7	Inferred <sup>(3)</sup>
<b>16.8</b>	<b>7.8</b>	<b>0.9</b>	<b>Total</b>

Notes

1) Resource estimate taken from the Platínova A/S 1999 Annual Report as lodged with the Toronto Stock Exchange (TSX) and calculated using polygonal methodology

2) Indicated Resources estimated using >2m vertical thickness @ 6% Zn

3) Inferred Resources estimated using >1m vertical thickness @ 5% Zn outside Indicated areas

The mineralisation is hosted by Ordovician sediments of the Franklinian Basin and is considered to be contemporaneous with other base metal deposits in Canada such as Polaris (operated by Teck Cominco between 1980 and 2002). Ironbark has lodged a larger green field exploration licence application surrounding the Citronen exploration licence to further expand on its holding in the region. Ironbark now hold over 560 square kilometers of prospective ground and at least 35 kilometres of strike over the mineralisation trend.

Further information regarding the supportive operating framework of Greenland can be found on the Greenland Bureau of Minerals and Petroleum website:

[http://www.bmp.gl/administration/periodical\\_shelf/EC2\\_30aa\\_ba10\\_mining-journal-suppl.pdf](http://www.bmp.gl/administration/periodical_shelf/EC2_30aa_ba10_mining-journal-suppl.pdf)

Further information on the geology of Citronen is readily obtained from the Geological Survey of Denmark and Greenland (GEUS) by going to the following link and opening or downloading the PDF document at the bottom of the page:

[www.geus.dk/publications/review-greenland-96/gsb176p44-49-dk.htm](http://www.geus.dk/publications/review-greenland-96/gsb176p44-49-dk.htm)

Ironbark has engaged SRK Consulting to assist in the due diligence process and to work with Ironbark in developing exploration targeting and resource/optimisation studies.

## **Consideration**

Ironbark has entered into a purchase agreement to acquire a private company, Bedford (No.3) Limited, a company which is seeking government consent to the transfer to it of an exploration license in respect of Citronen.

Ironbark has agreed to pay Bedford Resource Holdings Limited \$6M cash, 8M shares in Ironbark and 16M options in Ironbark with an exercise price of \$1.50 at any time prior to 1 February 2010.

Separately a 2.5% net smelter royalty will be payable. The necessary shareholder approvals will be sought in due course. The Vendor is also entitled to appoint a non-executive director to the Board of Ironbark.

## **Logistics**

Working and operating in northern Greenland is not dissimilar to those conditions experienced in numerous operations in northern Canada and Ironbark has secured the services of Mr Andrew Stocks in the role of Logistical Consultant. Mr Stocks spent several years working as the Vice President of Operations for Crew Gold Corporation. In this role, Mr Stocks was responsible for the commissioning of the first gold mine and associated ship loading facilities in Greenland, the Nalunaq Gold Mine, which was also the first mine to be commissioned in Greenland in 30 years and remains in operation. Mr Stocks has previously run mines throughout the world for Barrick Gold. Several new mines are now operating or preparing to operate in Greenland.

Access to the site is by aircraft or boat – with the last explorers utilising the services of various aircraft including helicopters, Boeing 727, C-130 Hercules and Twin Otter aircraft. The climate is very dry with minor rain or snowfall and during the 1997 field program the temperature averaged ~ 1 degree Celsius from May to September (5 months) with a highest recorded temperature of 9 degrees Celsius and a lowest recorded temperature of -13 degrees Celsius.

During winter pack ice will limit the access to Citronen Fjord by ship as is the case with many northern Canadian mining operations such as at Red Dog, the world's largest zinc mine. Readers interested in further understanding the logistics of operating in such a climate please refer to an excellent summary of the Polaris operation (one of the lowest cost zinc mines in the world) that was partially owned by Teck Cominco at the following website:

[www.teckcominco.com/articles/operations/pol-pd-overview.htm](http://www.teckcominco.com/articles/operations/pol-pd-overview.htm)

**Corporate**

Ironbark is a focused and dedicated base metal exploration and development Company listed on only the Australian Stock Exchange. The Company has a technically strong Board with significant relevant experience.

Ironbark maintains a suite of base metal and gold projects in New South Wales – Australia. Ironbark will maintain its aggressive exploration and evaluation of the Belara zinc project and Captains Flat base metal (zinc, lead, copper, silver and gold) project in conjunction with the major project acquisition of Citronen.

The Board of Ironbark would like to thank all our shareholders for their support in our young Company and for sharing in our focused vision to build Ironbark into a major mineral producer. We feel that this acquisition is a significant step in this direction and look forward to delivering continued strong growth in asset building and shareholder wealth.

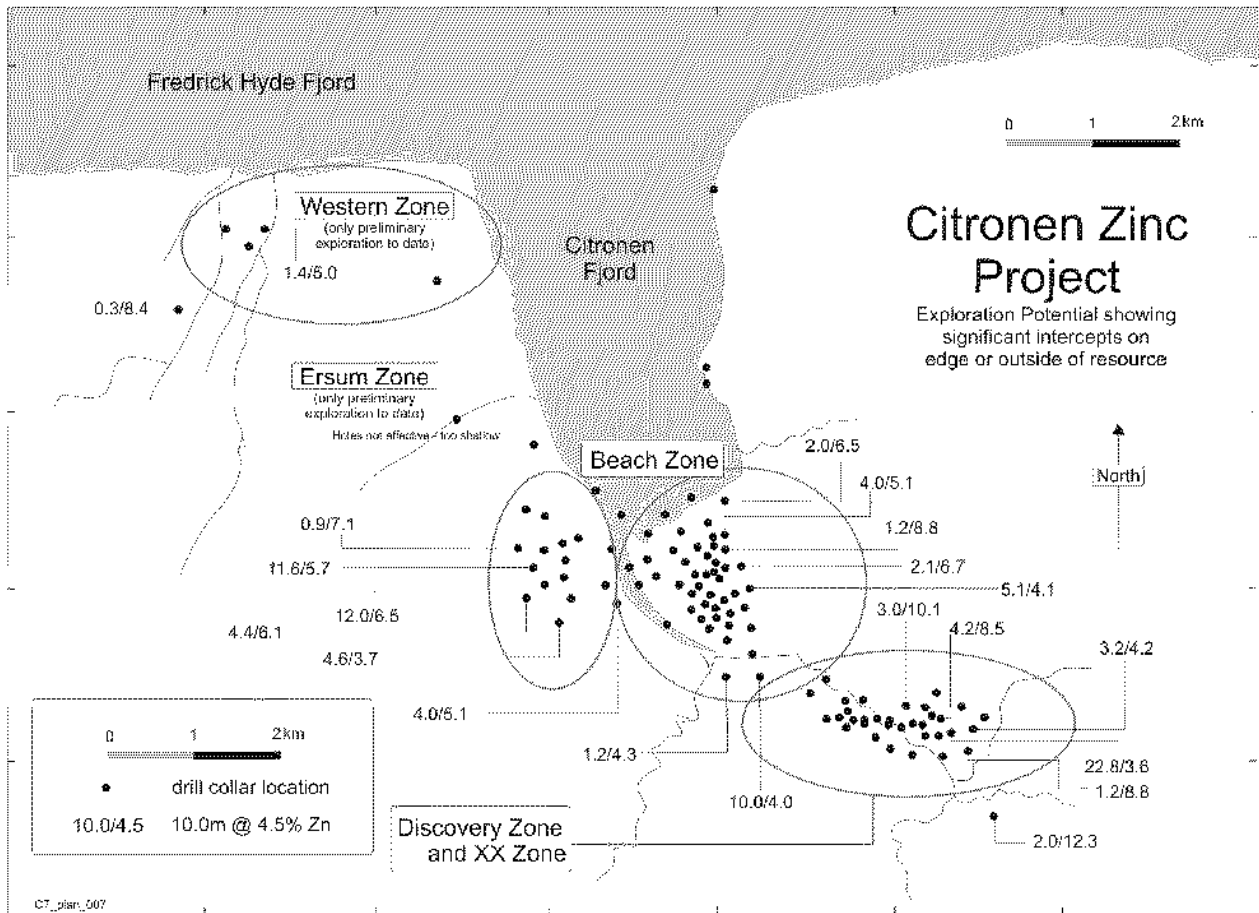


Figure 2: Plan View- Citronen Zinc Project and zinc intercepts on margins of

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

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