



DUTTON ASSOCIATES

INDEPENDENT RESEARCH

RESEARCH REPORT

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Ironbark Gold Limited

December 29, 2008

Symbol (OTCQX)	IRBGY	Fiscal Year Ending: June							
Industry:	Metals & Mining	Year	EPS	P/E	REVS	PSR			
Recent Price:	\$0.53	2006	N/A	---	x	---	x		
52-Week Price Range:	\$6.30 - \$0.31	2007	A	(\$0.15)	---	x	\$0.0	1123.6	x
Target Price (12 Months)	\$0.78	2008	A	(\$0.01)	---	x	\$0.1	224.7	x
Avg. Daily Vol. (3 mo.):	6,872	2009	N/A	---	---	x	---	---	x
		2010	N/A	---	---	x	---	---	x

Balance Sheet Data (mil)	9/30/08	Ownership and Valuation (mil)	Current Rating History		
Cash Equivalent:	\$4.9	Shares Outstanding:	21.2	Date Assigned:	12/29/08
Working Capital:	\$4.9	Inside Ownership:	30%	Price at Rating:	\$0.53
Long-Term Liabilities:	\$0.6	Institutional Ownership:	N/A	Original Price Target:	\$0.78
Shareholders' Equity:	\$81.4	Equity Market Value:	\$11.2	Time Frame:	12 Months

Note 1: USD - All financial data converted from reported AUD into USD at the Oct. 16, 2008 spot rate of 1 AUD = 0.665 USD.

Note 2: ADR - Please note that above stock price and market value data are based on OTC QX data which prices 1 ADR certificate issued by the Bank of New York Mellon, which (as of 8 August, 2008) converts at 1 IRBGY ADR (OTCQX) = 10 IBG (ASX).

Initial Report

Rating: Speculative Buy

Basis for Rating

Ironbark Gold Limited ("Ironbark"), based in Subiaco, Western Australia, engages in the acquisition, exploration, and evaluation of base metal and gold properties in Australia and Greenland. Its premier project, the 100% owned Citronen Zinc Project in Greenland contains a JORC compliant resource estimate of 10.5 billion pounds of metal in 102 million tonnes (MT) @ 4.7% zinc (Zn) and lead (Pb) at a 2% Zn cutoff, including 56 MT @ 6.1% Zn and Pb at a 3.5% cutoff, and 22.6 MT @ 8.2% Zn and Pb at a 5% cutoff.

Nearly 90% of the area outlined by management in their preliminary mine planning for optimization is in the Indicated Resource category.

Extensive exploration drilling during 2008 resulted in a large increase in the size of the project. Exploration continues to show that the prospect remains open in all directions. The deposit is vast, with very large high-grade zones that are amenable to low-cost, very high volume mining from the outset, which could make Citronen one of the world's largest Zn mines in the future.

Management contemplates an underground, room and pillar style operation, mining around 5 MT ore annually for on-site, flotation type concentrators. The product would be shipped during the summer season to smelters in Europe or Canada/North America. While current Zn/Pb prices are forcing many mine closures, Citronen's potential future low-cost, high volume operation offers a current investment opportunity in Ironbark that has high leverage to future modest Zn commodity price increases.

A pre-feasibility study was contracted to Ausenco by the Company and originally scheduled to be available soon. However, this year's exceptional exploration success combined with difficult global economic shifts have required management to spend more time on assessing forecasts and future strategies with the highest potential for achieving Citronen's long-term profitability, while maintaining a prudent project risk management focus. In addition to Ausenco, management are considering advice from additional associated and external sources, in order to ensure the greatest probability of a material benefit accruing to the Company's shareholders from the Citronen project.

At the end of September, the Company had around AUD \$7.4 million net working capital available and its forecast cash outflow for the quarter ending December 31 is AUD \$225 thousand.

We note that the ASX Metals and Mining has developed a short-term rally compared to Ironbark's stock price, which may represent a technical under-valuation for the stock.

If recent global economic interventions by central banks and governments continue to gain traction and boost consumer confidence, then we perceive a reasonable potential for Ironbark stock and ADR's to rally 50% or more from current levels before the end of the next quarter. Ironbark's strong project potential during this time of heightened economic risk results in our opinion that Ironbark should be considered a **Speculative Buy** at this time.

Company Details

Ironbark Gold Limited (ASX: IBG, OTCQX: IRBGY - ADR), www.ironbark.gl

Directors

Peter Duncombe Bennetto (Chairman) — 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 17th July 2008). Mr. Bennetto owns 2,300,000 fully paid IBF Ordinary Shares.

Mr Adrian P Byass, Executive Technical Director, B Sc Hon (Geol), B Econ, FSEG, MAIG. Mr Byass has over twelve years direct experience through mining, resource estimation, and mine development roles for several gold and nickel mining and exploration companies. He is a competent person for reporting to the ASX for certain minerals. Mr Byass was a founder of Siberia Mining Corporation Limited and Hibernia Gold (now Moly Mines Limited). He owns 9,650,000 fully paid Ordinary Shares in Ironbark Gold Limited and 5,000,000 options (expiring 10/08/2011). He is a Director in Wolf Minerals Limited.

Mr Vincent Hyde, MNIA — Mr Hyde has over 40 years banking and corporate advisory experience; and was the managing director of a merchant bank for many years where 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, Blaze International Limited, and Executive Chairman of Power Resources Ltd.

David Kelly, BCom, CA — Mr Kelly is a qualified Chartered Accountant with nine 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. He is a director of Zaruma Resources Inc. listed on the Toronto Stock Exchange.

Jonathan Charles Downes, Managing Director, B Sc Geol, MAIG Mr Downes has over 12 years experience in the minerals industry 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 is currently a non-Executive director of Graynic Metals Limited, Sabre Resources, Waratah Gold, Wolf Minerals Limited, and the Managing Director of Ironbark Gold Limited. He owns 8,235,000 Ironbark fully paid Ordinary Shares and 5,000,000 2011 options.

Gregory C. Campbell, Engineering Director BE (Chem) Hons, MAusIMM, MIEAust, Mr. Campbell has 17 years engineering experience across Australia primarily in the iron industry, process and chemical engineering, operating, marketing, and financial analysis of projects in the metals industry. He spent eight years with BHP Limited, eight years in senior engineer consultancy roles with Aker Kvaerner and Promet Engineers, and performed process-engineering work for Ausmelt Limited. He owns 1,500,000 fully paid Ironbark Ordinary Shares and 500,000 AUD \$0.85 options (expiring 22/11/2012). He is also a director of Wolf Minerals Limited.

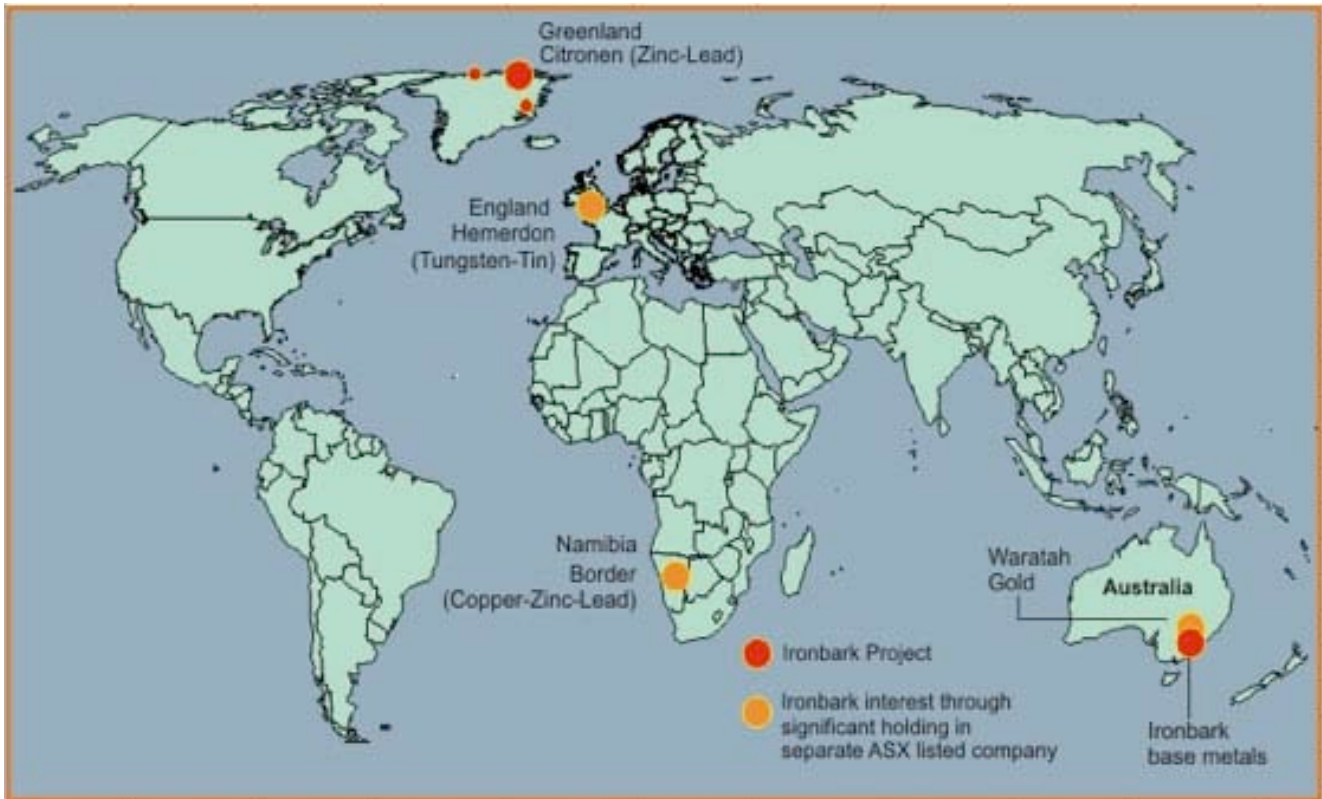
David Round B. Bus., CPA, MBA, Chief Financial Officer and Company Secretary, Mr. Round has gained extensive senior-level accounting and finance experience with companies including SNC Lavalin, KPMG, and Grant Thornton. He has industry experience from working with several Australian joint-venture mining companies as well. He holds 2,500,000 of Ironbark 2012 incentive options.

Ironbark's Projects

Ironbark is exploring and developing base metal (lead and zinc) and precious metal properties in Greenland and Australia, and has exposure to other projects around the world through its investment holdings (See Figure 1).

The Company's Greenland Citronen project is their business focus and the primary subject of this report. Exploration results confirm that this property could become one of the world's largest producing lead/zinc mines within a few years subject to favorable future capital and financing markets and a return to stable, growing global economic conditions.

Figure 1. Ironbark's Global Project Locations



Source: Ironbark Gold Limited

Greenland

Ironbark's flagship is the Citronen Zinc-Lead project located on the politically stable and mining friendly, democratic island referred to as the Danish federation of Greenland.

Ironbark has several projects in northern and eastern Greenland, targeting base metal deposits (Citronen and Mesters Vig) as well as exploration prospects in Washington Land and Navarana Fjord.

Figure 2. Location of Citronen Zinc-Lead Project



Source: Ironbark Gold Limited

Popular belief is that originally Greenland was populated by Inuit from North America around 5,000 years ago and colonized by Eric the Red in 985-986 A.D. The early colonies suffered from climate conditions and became extinct in the 15th century. The European effort to expand trading and colonization of North America in the 16th century led Denmark to recolonize the island in 1721 as The Royal Greenland Trading Company. Greenland developed close ties with the U.S. during WW II, which still operates the Thule Air Force Base there, completed in 1953. Also that year, Greenland became part of Denmark but gained Home Rule on May 1, 1979, and from this time until now, Greenland has been recognized by the Kingdom of Denmark as a special cultural community.

Every four years Greenland's government is locally elected to form a legislature based parliament, which directs the administration of Greenland's domestic and international affairs. The country has a population of about 56,700; a GDP of around USD \$1.1 billion; and its largest export is fish products. Greenland's government recognized the value of their natural resource wealth and are actively promoting mineral and oil exploration; so their national GDP from non-renewable resources extraction is increasing (e.g. Nalung Gold Mine, Sequi Olivine Mine).

Citronen

The Citronen Fjord massive sulphide deposit is located at the eastern end of the Paleozoic Franklinian basin that extends through the Arctic Islands of Canada and across northern Greenland. It is in the Lower Paleozoic of North Greenland, which is the world's most northerly base of metal mineralization.

Figure 3. Aerial View of Citronen Deposit Area



Source: Geology of Greenland Survey Bulletin #179 – 1998

Figure 4. Citronen's Location and Basic Arctic Geology



Source: Geology of Greenland Survey Bulletin 179 – 1998

Citronen Geology

Greenland's geology ranges from Proterozoic to Devonian, with the northern Greenland projects hosted in the Ordovician sediments. This area is correlated to geology in Northern Canada, which host the recently worked and highly profitable Nanisivik and Polaris base metal mines amongst others (see mid-east of Figure 4).

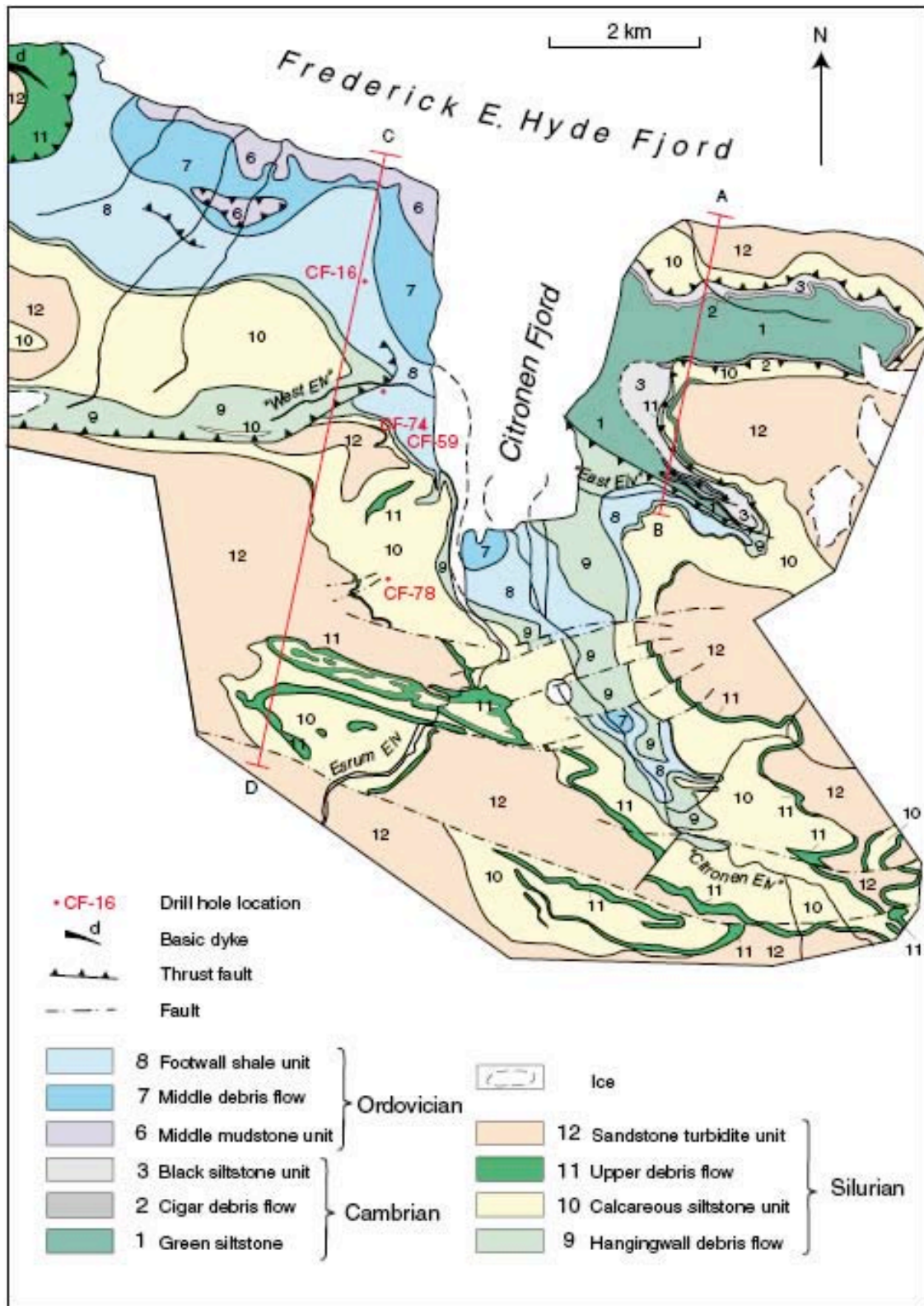
(The geological information below comes from Greenland govt. reports including "Geology of Greenland Survey Bulletin 179 – 1998" by F. van der Stijl and G. Mosher.) Greenland's geology spans a period of four geologic ages, from the earliest Archaean to the Quaternary. Although the total area is 2,166,000 km only 410,000 km are exposed bedrock. Greenland is dominated by crystalline rocks of the Precambrian shield, formed during a succession of Archaean and early Proterozoic orogenic events which stabilised as a part of the Laurentian shield about 1600 Ma ("million years ago").

During the later Proterozoic and throughout the Phanerozoic, major sedimentary basins formed, notably in North and North-East Greenland, and in places accumulated sedimentary successions that reached 10–15 km in thickness. Palaeozoic orogenic belts, the Ellesmerian fold belt of North Greenland, and the East Greenland Caledonides, affected parts of these successions; the latter also incorporates reworked Precambrian crystalline basement complexes.

Upper Palaeozoic and Mesozoic sedimentary basins developed along the continent–ocean margins in North, East, and West Greenland and are now preserved both onshore and offshore. Their development was closely related to continental break-up with formation of rift basins (see Figure 5).

The stratiform mineralization is hosted in the dark argillaceous rocks of the Amundsen Land Group of latest Ordovician to Early Silurian age that comprises a starved basin sequence of cherts and shales with siltstones and mudstones, punctuated by carbonate debris flow conglomerates derived from the nearby southern carbonate shelf.

Figure 5. Citronen Local Description



Source: Geological Survey of Greenland Bulletin #179 - 1998

The Lower Palaeozoic strata at Citronen Fjord are part of the southern margin of the North Greenland Fold Belt characterized by southerly-facing folds and thrust faults.

It is concluded that the Citronen Fjord stratigraphy could be of local development in a sub-basin controlled by syngenetic faults. The lead-zinc deposit is interpreted to be of sedimentary-exhalative origin formed by the precipitation of sulphides from metal-bearing fluids introduced onto the sea floor through underlying fractures. The significant components of this deposition model include the existence of a tensional tectonic regime, deep-seated fractures, and a restricted sub-basin morphology. Massive to dendritic-textured pyrite is interpreted to represent vent-facies deposition while the bedded sulphides are taken to be the corresponding distal facies. The precise tectonic control of the fractures is debatable, as is the role of the so-called Navarana Fjord Escarpment — a palaeo-topographic feature marking the junction between shelf and trough that is assumed to lie immediately to the south of the Citronen Fjord.

The deposit is generally flat lying with a thickness up to 50 meters; it extends from outcrop level to depths of 500 meters. Three main stratiform sulphide sheets occur within a 200 meters thick stratigraphic sequence; these are composed of massive and bedded pyrite with variable amounts of sphalerite and minor galena. The proven mineralization is continuous over a strike length of at least three km with a maximum width of 500 meters; an additional five km of mineralization along the same trend is suggested by geological mapping and gravity surveys. The total tonnage of sulphides is estimated to exceed 350 million tons (MT).

The current Citronen Deposit is estimated (by Wardrop Engineering) to contain over 10.5 billion pounds of metal using Ordinary Kriging interpolation in 101.7 Million Tonnes (MT) of resource at a cutoff of 2% Zn:

- Indicated resource of 50.2 MT @ 4.5 % Zn and 0.5% Pb
- Inferred resources of 51.6 MT @ 3.8 % Zn and 0.6% Pb

Citronen Geography

The Citronen Fjord massive sulphide deposit is located on the south side of Frederick E. Hyde Fjord in northern Peary Land, North Greenland some 250 km northwest of the Danish military support base Station Nord and 100 km southeast of Kap Morris Jesup, the northern cape of Greenland. The map location is 83°05'N and 28°15'W.

The area is composed of dissected plateau and rolling hill landscape, with widespread glacial and glaciofluvial deposits. Mountains around Citronen Fjord are between 700 and 1000 meters high, and particularly to the south, show a well-developed plateau surface. The area at the head of Citronen Fjord is characterized by a broad delta formed by two major rivers, which transect an extensive sequence of raised beaches that border the delta. The delta valley itself is several kilometres wide and surrounded by high mountains; most of the area in which the mineralization occurs is between sea level and 150 meters. The northerly limit of the permanent inland ice is about 150 km to the south and the area around Citronen represents some of the largest non-glaciated terrain in Greenland. Frederick E. Hyde Fjord and adjoining fjords are frozen except for about six weeks in the summer. Drifting ice can occur anytime during this summer shipping season until the fjords freeze again in September.

History of Exploration at Citronen

In 1992 Platinova A/S and Nanisivik Mines Ltd. explored for base metals in the Franklinian Basin, in western North Greenland. The primary focus of this work was an assessment of the deep-water clastic sediments of the Amundsen Land Group in the Nyeboe Land — Freuchen Land region (a narrow east-west striking belt over a distance of about 300 kilometres). In Peary Land to the east, exposures of Amundsen Land Group sediments are largely confined to the lands bordering Frederick E. Hyde Fjord where there are discontinuous outcrops over a distance of about 125 km.

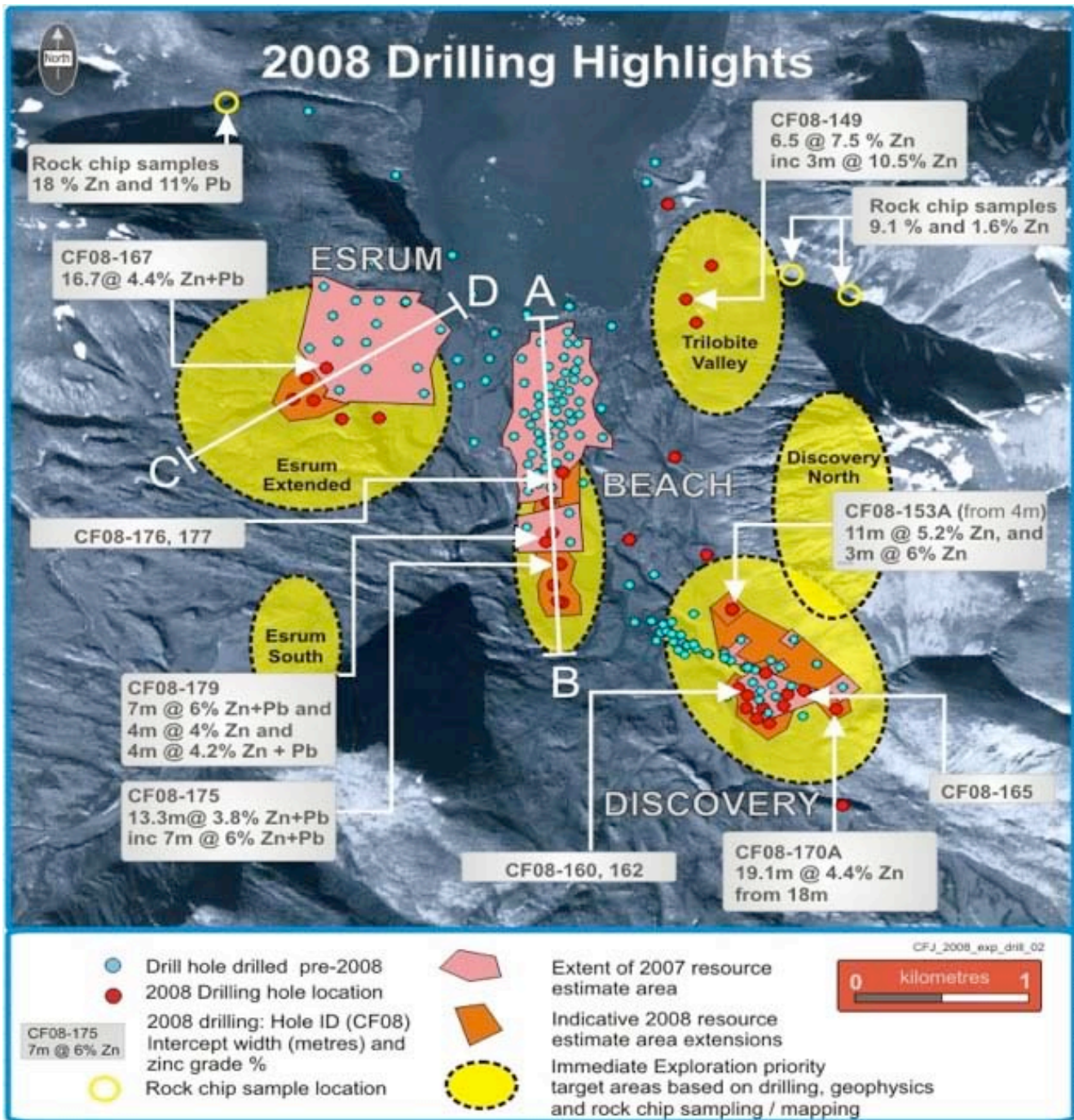
Platinova A/S continued studying the area in 1993 with a prospecting programme in the Frederick E. Hyde Fjord area beginning in May. A primary objective was investigation of the reported gossans and sulphide occurrences in the Citronen Fjord area that had been observed in 1969 and 1979. Massive, outcropping sulphides were encountered on the first day of exploration at Citronen Fjord in the inland gossan area now termed the Discovery area. Based on this discovery, a full-scale exploration programme including drilling was organized and executed the same summer. Exploration started in 1993 by Platinova A/S continued every summer through 1997 resulting in 143 exploration holes drilled through 32,400 meters.

As a result of the early exploration, it was speculated that sulphide mineralization may be continuous between the Citronen Discovery area and outcropping sulphides observed in 1969 that are 8 km southeast, on the south shore of the Frederick E. Hyde Fjord perhaps outlining a major northwest trending mineralization zone. Ironbark's recent exploration based deposit size increases suggest the Citronen project could develop into a more than 20-year lifespan, massive mining operation, with the possibility to recover annually as much as 5 million tonnes of zinc ore, and grading as high as 7%–9% metal initially, from higher grade targets.

Citronen Exploration – 2008 Summary

Ironbark achieved extraordinary results in 2008, which in our opinion, affirms managements view that Citronen has good development potential as a world-class zinc-lead deposit. During the past summer, three diamond drill rigs (including two Duralight rigs) completed 11,229 meters of drilling, which increased Ironbark's total exploration to 45,000 meters in 181 holes to date. A 40-man camp constructed in 2007 was supported by heavy equipment left on site with sufficient fuel to continue 2009 exploration using 1-2 drill rigs without a major mobilisation. Three fourths of the drilling this year was conducted outside the identified resource envelopes. See Figures 6–8 below:

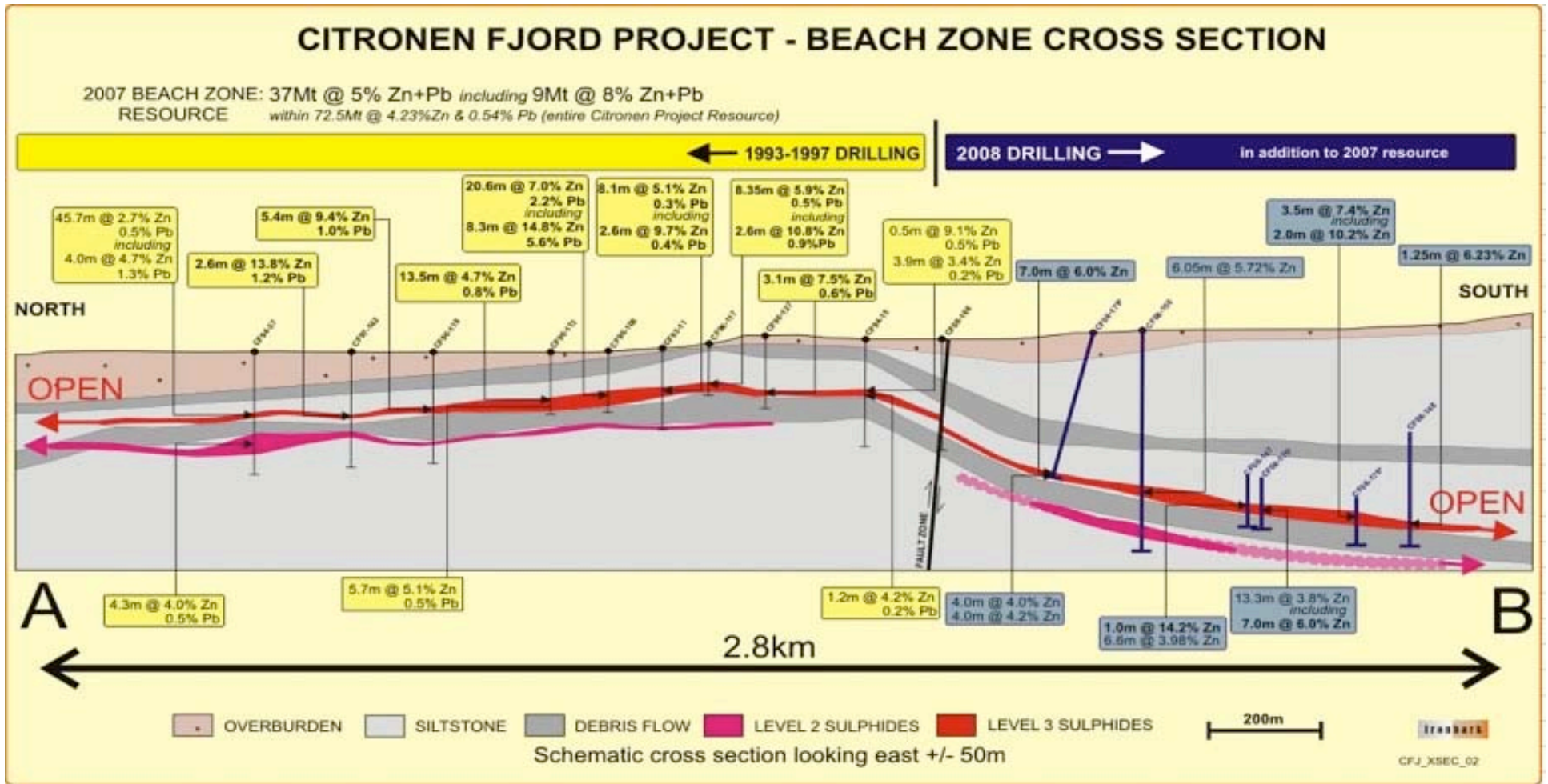
Figure 6. Citronen 2008 Drilling Summary



Source: Ironbark Gold Limited

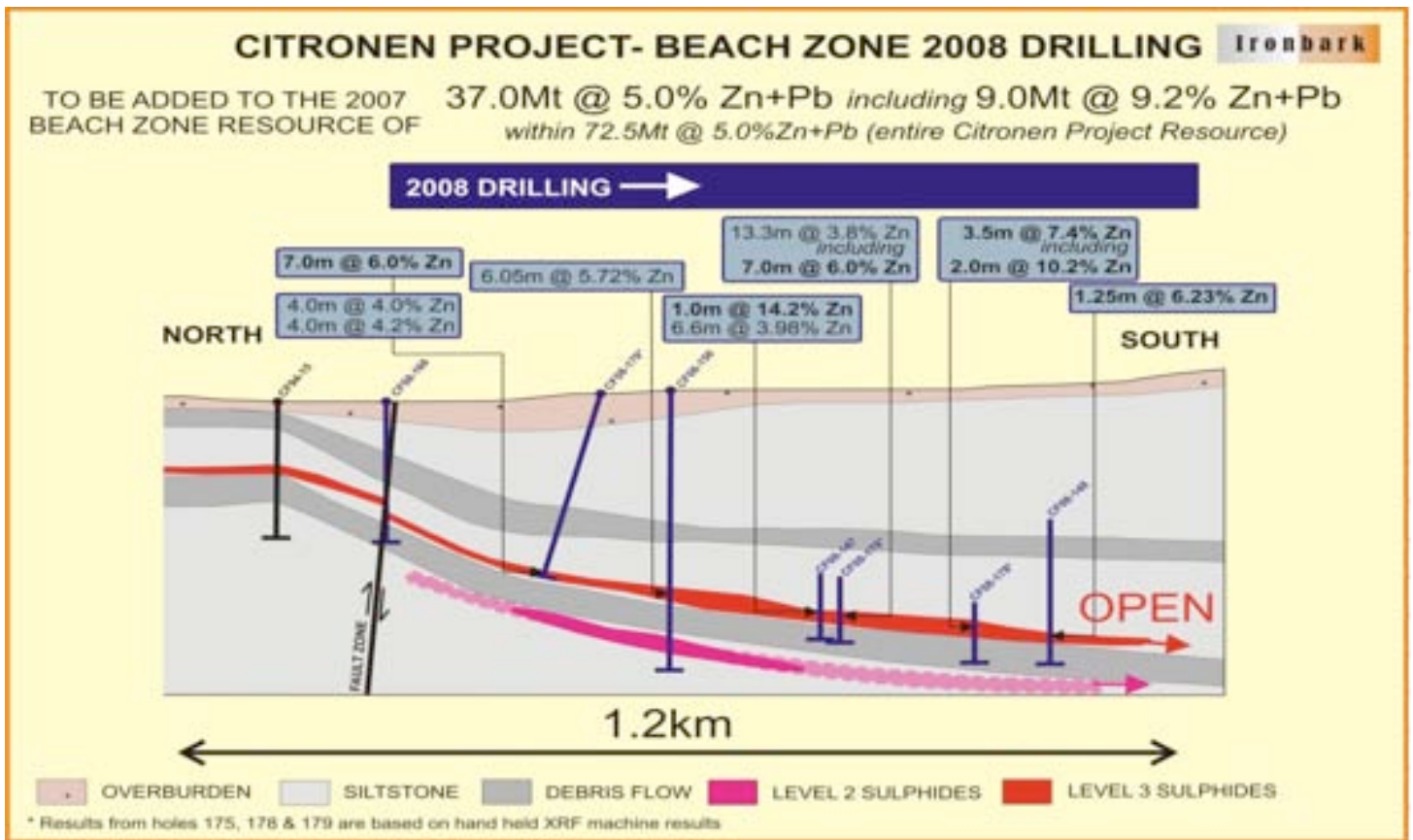
Extensions are now known to the resources at the Esrum, Beach, and Discovery Zones. Drilling of the Beach Zone in particular extends the high-grade channel to the south by almost one km. The deepest drill hole ended in the largest intercept of massive sulphides so far.

Figure 7. Citronen Deposit



Source: Ironbark Gold Limited

Figure 8. Beach Zone 2008 Drilling



Source: Ironbark Gold Limited

Metallurgy

Ironbark received excellent results from metallurgical test work, which was managed by Ausenco Limited and conducted by AMMTEC Burnie Research Laboratory in Tasmania. The test work was based on samples from Citronen, from which a global concentrate grade of 50% zinc with recoveries averaging greater than 85% was achieved using conventional grinding and flotation circuits. The fault-hosted region of the Discovery Zone achieved an exceptional 60% zinc grade at 91% recovery. This is likely to be further improved when locked cycle testing is conducted.

Energy for Citronen

To power the potential mining operation, Ironbark is considering a few options:

- Oil or coal based electrical generation would be the most conventional; but given Denmark’s extensive use of advanced low-pollution coal based electricity generation technologies, it is our opinion that this might be a more likely alternative compared to oil;
- A small, portable nuclear generation facility (i.e. from Russia) is also possible, but probably the least likely of all options;

- An unconventional source that could be chosen is pyrite, which is found extensively at Citronen and could be burned to generate electricity on-site. This option would also yield sulfuric acid, which could be sold into the commodity market. In the mining process, Ironbark management is confident that approximately 750 to 800 tonnes of pyrite would be recovered each year, which could be used for the operation's power generation. If this occurs, around 1 million tonnes of by product sulfuric acid could be produced. Sulfuric acid prices were reported at around USD \$90/tonne in October 2007 and USD\$329/tonne in May 2008. Current prices are much lower than the May highs, but this possibility could yield a material source of revenues to help offset operating expenses.

Citronen Pre-Feasibility, Project Costs and Outlook

The third year of environmental base line study work was completed during the 2008 field season. This represents the completion of the minimum requirement for submission of a proposal to develop with the Greenlandic authorities. Ironbark is now able to apply for an Exploitation (Mining) Lease at Citronen. Ironbark currently holds a 100% interest in Exploration Licenses which cover over 1700 km at Citronen.

Management reported that Ausenco is preparing a pre-feasibility study and also that they have also engaged the services of another engineering firm with specific experience in arctic mining projects to complement the pre-feasibility study. While Ironbark has not yet projected mining costs, it is our opinion that a start-up cost of USD \$350–\$500 million may be a reasonable range estimate at least until the pre-feasibility report is released. Based upon other historical arctic zinc-lead mining costs, notably Polaris and Nanisivik, we are confident that Citronen will have sufficient scale to reduce their operating costs to the lowest end of current global average production costs for zinc-lead mines, at USD \$1,500–\$1,800 per tonne, as estimated earlier this year by Minco PLC.

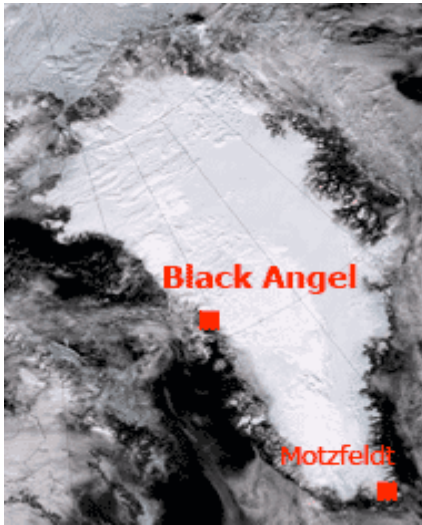
We are not comfortable with projecting economic conditions or commodity prices, however recent central bank and government activity suggest that the global capital markets may have entered a new period of regulation and intervention. Many philosophical debates will heat up, but we believe that the money supplies will reflate commodity prices although we are unable to forecast foreign currency and interest rate effects. For investors, equity investments in companies such as Ironbark offer the best exposure regardless of currency to this potential.

Other Greenland Historical Zinc-Lead Exploitation

From 1956 to 1963, small-scale lead-zinc exploitation occurred (0.6M containing galenite and sphalerite ore were mined from underground) in Mestersvig in East Greenland (see Figure 9). From 1973 to 1990, more extensive zinc-lead-silver mining happened at the Black Angel mine at Maarmorilik in the municipality of Uummanaq. There, 11.3 MT of ore averaging 12% Zn and 4% Pb, and silver-containing galenite were extracted from underground. It was owned first by Cominco of Canada and then by Boliden of Sweden (last four years). The ore was mined from underground using the Room and Pillar method and transported in cable cars across the fjord Affarlikassaa to a processing plant in Maarmorilik, with the concentrate then transported to smelters in Europe.

Since 2003 when it acquired the property from the government, Angus & Ross PLC ("ARP") has explored and recently decided to re-open the Black Angel mine. They report being in the process of raising capital to commence operations (a mining permit was received in May, 2008) and are projecting production in 2010. The Black Angel mine is located on the West coast, due south of the Citronen project as depicted below:

Figure 9. Greenland's Black Angel Zinc-Lead Mine Location



Black Angel closed in 1990 leaving behind approximately 2 million tonnes of Zinc Lead ore, mainly in the pillars. It is approximately 5 km long inside the mountain. ARP's exploration has increased the JORC-compliant resource by 2.2 million tonnes and they discovered that the mineralised zone is open at depth and along the strike, with further exploration planned. Their mining feasibility study was received from Wardell-Armstrong International in February 2008. Phase One is expected to last 4 years, during which time 1.3 million tonnes is expected to be mined.

Source: Angus & Ross, PLC

Other Arctic Zinc and Base Metal Mining

Successful high-arctic mining operations have existed for decades and new projects are currently being developed. Two recently closed mines with similarities to the conditions at Citronen were the Nanisivik and Polaris zinc-lead mines in Canada's north. These two underground operations were the world's most northerly metal mines and their success and lifespan affirm that arctic mining is profitable during favourable commodity markets.

Teck Cominco's Polaris zinc-lead mine was located within the Franklinian Basin and operated from 1982 until 2002. The Nanisivik zinc lead mine in the Borden Basin of northern Baffin Island was in production from 1976 until 2002. Both mines were closed due to increasing financial risk from falling metal prices and economically mineable resource depletion.

Ironbark’s Australian Projects

In Australia, Ironbark's mineral assets comprise five base metal and gold exploration licenses held in New South Wales and managed by the Company.

Figure 10. Location of Ironbark’s Australian Projects



Source: Ironbark Gold Limited

All the tenements have been mined historically for gold and base metals, and are considered to be prospective for further mineralisation (see Table 1). Infrastructure is good and access is via public and private roads.

Table 1. List of Ironbark’s Australia Tenements

Project	Tenement Number	Commodity	Ownership
Captains Flat	EL6381	Zn, CU, Pb, Ag, Au	Earning 75%
Belara	EL6576	Zn, CU, Pb, Ag, Au	100%
Belara East	EL6749	Zn, CU, Pb, Ag, Au	100%
Bogong	EL6792	Cu, Au	100%
Captains Flat North	EL6840	Zn, CU, Pb, Ag, Au	100%
Fiery Creek	EL6925	Cu, Au	100%
Mount George	EL6927	Th	100%
Mulguiga	EL6926	Th	100%
Captains Flat South	EL6990	Zn, CU, Pb, Ag, Au	100%
Doherty	EL7148	Mn, Co, Au	100%

Source: Company

Captain’s Flat - Ironbark entered into an equal exploration agreement with Glencore International AG (Glencore) to explore the Captains Flat Base Metal Project located south of Canberra in New South Wales. The Project covers a strike length of 39 kilometres of a highly endowed Volcanic Massive Sulphide (VMS) horizon that hosts numerous historic mineral occurrences and mines, including the Lake George Mine that produced 4 million tonnes (MT) of high-grade ore until closure in 1962. The original interest held by Monaro Mining NL (Monaro) remains unchanged where Ironbark and Glencore are able to earn up to 75% in the Project. Monaro has a 25% interest in Captain’s Flat North.

The Jerangle, Lake George, and Vanderbilt Hill prospects are areas where previous explorers have returned high-grade copper and zinc drill intercepts:

- 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.
- The high-grade Lake George Mine produced approximately 4 MT 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 at 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.
- Ironbark reported that it received the results from 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. The tailings are deposited in two main dumps and are estimated to contain approximately 2.1 MT of material based on production records. A JORC compliant resource of the zinc-lead-copper-silver-gold in the tailings will be estimated and released as soon as possible. Ironbark believes these results represent an opportunity worthy of further evaluation.
- The Vanderbilt Hill prospect is located to the east of the Lake George Mine and drilling has returned results such as 3.9m at 10% zinc, 5.3% lead.

Glencore and Ironbark will jointly manage the above exploration and assemble a dedicated team to an aggressive exploration campaign. The agreement will allow Ironbark to focus on its flagship Citronen Zinc Project and help fund deeper exploration in the main Lake George Mine area that could otherwise be cost prohibitive for Ironbark.

Belara - The 100% owned Belara Project is located east of Wellington and approximately 90 kilometres north of Orange in New South Wales. Previous explorers identified significant sediment-hosted zinc, lead, copper, silver, and gold

mineralisation from drilling undertaken between 1968 and 1993. The mineralisation has been identified over a strike of 2,200 metres.

During the year Ironbark conducted further drilling and resource modelling. Assay results from the recent drilling largely confirmed the previous drilling and will be adopted into a resource review and returned a peak result of 4m @ 8.4% zinc, 3.5% lead, 0.82% copper, 106 g/t silver and 0.9 g/t gold from 339m down hole. This drill hole represents the deepest mineralisation returned to date at Belara and may upgrade the existing resource estimate. The Belara project hosts a JORC compliant inferred resource of 1.0 million tonnes at 5.0% zinc, 0.4% copper, 1.5% lead, 0.3 g/t gold and 50 g/t silver at a 4% zinc cut-off within a larger lower grade inferred resource of 3.8 million tonnes at 3.1% zinc, 0.4% copper, 1.0% lead, 0.2 g/t gold and 34 g/t silver at a 1% zinc cut-off.

Zinc

Zinc is the fourth most consumed raw metal after steel, aluminium, and copper. It is used predominantly to galvanize steel, for making alloys, electroplating, and in other industrial sectors and products including batteries, rubber, and paint.

Lead is inexpensive to mine and fabricate but its alloys and compounds have disadvantages related to toxicity and weight. Most global demand growth comes from developing nations where it is used in batteries, electrical and non-electrical solders, lead shot and bullets, paints, ceramic glazes, fishing sinkers, radiation shielding, leaded glass, etc. Industry reports that 90% of lead is recycled.

Growth in the Asian economies led recent zinc consumption growth in recent years. According to the LME, global zinc production by area was: Asia 43%, Europe 30%, America 19%, Oceania 6%, and Africa 2%, and consumption by industry is: galvanizing 47%, brass and bronze 19%, alloying 14%, chemicals 9%, semi-manufacturing 8% and other 3%. Growth in demand for zinc was led by emerging economies, notably China, Brazil, Russia, and India. China is by far the largest zinc consumer, accounting for 32% of global usage much of this used to manufacture galvanized steel for construction and transportation. China's 2007 domestic galvanised steel output rose by 30% from 2006, to 18 MT and was up by 20% in the first four months of 2008.

Zinc Demand and Price

Demand for zinc grew at an average of around 5% for several years, but the short-term demand growth outlook is clearly negative and LME inventories have been increasing (see Figure 11), although large closures are abating excess production capacity. The base metal industry reports that around 800,000 tons per annum have been removed from world production in the past several months, in response to Zn prices below production costs for those operations.

Figure 11. Six-Month LME Zinc Warehouse Stocks Level



Source: www.kitco.com

The current price of zinc (around USD \$0.50/lb) is near 5 year lows.

Figure 12. Five-Year Zinc Spot



Source: www.kitcometals.com

Some notable recent closures include Hudbay’s Balmat operation, Teck Cominco’s Lennard Shelf, Acadian’s Scotia Mine, Intec’s Hellyer tailings operation, Blue Note’s Caribou mine, SRA Corporation’s Tennessee operations, Perilya’s Broken Hill mine, CBH’s Endeavour mine, AIM Resources Perkoa project and Lundin’s Aljustrel project. As well, many Chinese producers were reported to be closing earlier this year.

While average costs during the first part of the decade were reported to be between \$1,100–1,300 a tonne, these increased towards \$1,500–\$1,800 a tonne, particularly as energy costs rose. Recent oil price declines are clearly favorable for future mining cost forecasts. If costs decline to levels seen in the earlier part of the decade, some large-scale, low-cost operations (perhaps including Citronen) may be profitable near current Zn prices. If so, any Zn price increase would result in potentially large positive cashflow increases as long as costs remain controlled.

However, current Zn prices make it very difficult and in many cases impossible for even the lowest cost producers to operate profitably. We do not know the timing, but are certain that commodity and Zn prices will rise from current levels eventually in response to economic supply/demand conditions, as the current global economic malaise is overcome through a combination of demand and intervention.

Ironbark Capital Structure, Investments, and Finances

Ironbark owns stock of several ASX listed entities including (with AUD bid-ask):

- 3 million shares of Wolf Minerals Limited (symbol WLF: AUD \$0.30–\$0.60) @ bid value = AUD \$900 thousand, USD \$620 thousand.
- 4 million shares of Sabre Resources Limited (symbol SBR: AUD \$0.01–\$0.05) @ bid value = AUD \$40 thousand, USD \$28 thousand.
- 4 million options of Sabre Resources Limited exercisable at AUD \$0.35 @ bid value = nil.
- 5 million shares of Sultan Corporation Limited (symbol SSC: AUD \$0.004–\$0.005) @ bid value = AUD \$20 thousands, USD \$14 thousand.
- 5 million shares of Waratah Gold Limited (symbol WGO: AUD \$0.085–\$0.12) @bid value = AUD \$425 thousand, USD \$293 thousand.

During the year Ironbark placed 7,042,254 shares with Standard Bank to raise \$5,000,000 at 71 cents per share and also placed 459,7111 shares with commodity supplier Glencore International AG. Glencore increased its stake to 19.8% of issued capital on market.

Key management received total compensation for the fiscal year ended June 30, 2008, of AUD \$963,000 vs. AUD \$711,000 in 2007.

Based on information contained in Ironbark’s first quarter Cashflow report, there are 212.7 million shares outstanding and options issued as indicated below:

Table 2. Ironbark Options Issued

<u>Number</u>	<u>Ex. Price</u>	<u>Expiry</u>
10,000,000	6 cents	8/10/2011
78,800,000	30 cents	2/1/2010
3,000,000	85 cents	6/18/2012
500,000	85 cents	11/22/2012

Source: Ironbark Gold Limited

Ironbark’s June 30, 2008 Audit was clean and without qualification.

Investors should review Ironbark’s current Annual Report and recent Drilling Highlights, Resource Estimate Update, and 2008 Drilling Summary for comprehensive information.

The 1st Quarter ending 2009 indicated the Company had approximately AUD \$7.7 million net working capital assets represented by deposits on call and some cash, with forecast cash outflows for the 2nd quarter of AUD \$225 thousand.

In discussions with management, they have indicated they have sufficient cash to meet all anticipated obligations and have aggressively reduced their expenses and cash outflows to a minimum, in order to maximize their corporate flexibility into the foreseeable future.

Capital Market Conditions

Foreign Exchange - A Nov. 26th report by Saeetele et al from www.dailyfx.com forecast strength in AUD. It appears to have been accurate, as AUD has gained around \$0.05 since its publication and AUD is trading currently at around \$0.69 USD. Unprecedented recent foreign exchange volatility may continue and will affect an investment in Ironbark stock or ADRs.

Stock Price – Ironbark stock as shown in Figure 13 shows that the decline of Ironbark stock has been highly correlated with the Australian Metals and Mining Index. It is our opinion that the recent rally in the index, more foretells the beginning of a bottom, which will eventually flow through to Ironbark and other exploration stocks.

From the current price levels of around AUD \$0.075, we expect that Ironbark stock or ADRs will gain significantly in percentage terms into the first quarter of 2009. A rally of at least 50% can be expected if global economic forecasts into 2010 begin to improve, and as Zn prices show signs that production cuts are affecting inventory growth.

Figure 13. “Six months IBG price (AUD) and ASX: Metals And Mining Index”



Source: Australia Stock Exchange

Risks and Mitigation for an Ironbark Investment

Risks

The 2008 credit market crisis changed the outlook for all companies involved in mineral exploration and development projects.

Mitigation

Citronen is a massive zinc lead deposit that is well known to multi-national, integrated producers of base metals. There are beginning to be signals in late 2008 that large firms with cash are poking around to buy attractive projects that will ensure long-term supplies. Ironbark shareholders will undoubtedly stand to gain a benefit if this sentiment falls upon Citronen.

Ironbark has sufficient cash to stand pat for many quarters and weather for a while at least, the economic malaise that may continue, in our opinion, through 2010.

Ironbark represents a long-term anchor against short-term depressed zinc prices.

Conclusion

The massive size of the Citronen Deposit clearly indicates it will have a production profile in the low millions of Tonnes per year. If its cost structure falls at the lowest end of the recent current scale (USD \$1,500 to \$1,800 per tonne) or even lower (approaching the costs earlier in the decade) then the Citronen Deposit will provide investors an enormous leverage opportunity to a market of rising zinc prices. Presently, it is our opinion that this potential is not reflected in the stock price, but a small change in this sentiment should translate into stock price increases.

Ironbark's close relationship with other large Australian mining interests including Glencore, bode well for a continuing high level of sophisticated investor and industry interest in the Citronen project.

We believe that the current stock price suggests that the Citronen project has an implied value of less than AUD \$15 million (market cap less cash, recognizing many stocks trade at a discount to cash). Investors with a patient, long-term positive view of zinc should not overlook Ironbark at current price levels, given that 10.5 billion pounds of mostly zinc metal are behind the stock.

Current economic conditions require us to exercise caution and therefore we apply a **Speculative Buy** rating at this time, until the world economy regains direction and health. With a rally of at least 50% expected if global economic forecasts into 2010 begin to improve, and as Zn prices show signs that production cuts are affecting inventory growth; we place a target on the OTCQX stock, IRBGY at USD \$0.78 (.1125x10x .69), and the ASX stock, IBG at AUD \$0.1125.

We believe that prudent risk takers will be rewarded by a portfolio investment approach into Ironbark and similar mineral and mining stocks trading at depressed levels.

Dutton Associates ratings for IRBGY (IRONBARK GOLD LTD)
 Closing Price Oct 15, 2008: 1.03



Dutton Associates	
Current Ratings Distribution	
Rating	% Total
Not rated	2.86
Strong Buy	9.52
Buy	7.62
Strong Speculative Buy	37.14
Speculative Buy	27.62
Neutral	11.43
Avoid	3.81

Analyst: James Darcel, CFA, CIM

James Darcel has broad experience in portfolio management, financial analysis, and consulting. Mr. Darcel, before joining Dutton Associates, was an independent equity research analyst and was recently appointed to the board of Newcastle Minerals Ltd. From 2003 to 2007, he was portfolio manager, investment counsel, and chief compliance officer for Regenesys Capital Management, Inc. His work history includes working as a financial analyst at Manitoba Public Insurance, as a business development consultant at CFG Canada Ltd., and as an investment counsel/portfolio manager at D.V. McQueen Ltd. From 1986 to 1990, Mr. Darcel worked at the Toronto Stock Exchange. He is a Chartered Financial Analyst and a Fellow of the Canadian Securities Institute.

Analyst Certification:

I, James Darcel, CFA, CIM hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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