

15 July 2013

Company Announcements

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

CHINA NONFERROUS PROCEEDS WITH CITRONEN EPC/FINANCING UNDER THE MEMORANDUM OF UNDERSTANDING

Ironbark Zinc Limited (“Ironbark”) is pleased to report that the Feasibility Study for Ironbark’s Citronen Base Metal Project (“Citronen”) has been formally provided to China Nonferrous Metal Industry’s Foreign Engineering and Construction Co. Ltd (“NFC”) in accordance with the Memorandum of Understanding (“MOU”). The MOU is a framework agreement under which NFC has undertaken to provide the following:

- Engineering, procurement and construction (“EPC”) on a fixed price and turnkey basis;
- NFC to facilitate funding of the project development costs from major banks in China for 70% of the EPC contract cost on a turn-key basis (subject to standard terms and acceptability of the banks);
- NFC is provided with an option to purchase up to 20% of the Citronen project directly on an mutually agreed valuation basis; and
- NFC entering into an offtake agreement for the concentrate products of the Project or a portion thereof.

Ironbark has finalised the Citronen Feasibility Study on the wholly owned Citronen Project and, in accordance with the non-binding MOU, Ironbark will work with NFC to establish the development programme for the delivery of Citronen.

Managing Director Jonathan Downes said “We are delighted that the Citronen project is continuing to progress towards development in the current tough funding environment. Ironbark’s partnership with NFC provides a pathway to funding and development of Citronen that minimises shareholder dilution.”

Citronen is one of the world’s largest undeveloped zinc projects and is being evaluated to mine at a rate of 3.3 million tonnes per annum and produce zinc and lead concentrates for delivery around the world with an estimated life of mine cash flow exceeding US \$5.65 Billion*.

** Ironbark Zinc Limited Feasibility Study Report released on 29 April 2013*

About NFC

NFC is listed on the Shenzhen Stock Exchange and is based in Beijing. NFC constructs and sells a wide array of mining and equipment. NFC is rated as one of the world's top engineering firms by the US authoritative publication Engineering News Record. NFC also operates a wide array of mines and processing plants around the world including zinc mines and a zinc smelter.

Some examples of NFC mineral projects include the Chambishi Copper Mine in Zambia and associated 150,000-ton copper smelter, Tumurtin-Ovoo Zinc Mine in Mongolia and Thai-China Lead-Antimony Alloy Plant in Thailand. Other major projects include Kazakhstan 250,000-ton aluminium smelter, NICICO 80,000-ton copper smelter in Iran, a 100,000 lead smelter for Vedanta in India.

About Ironbark

Ironbark is a well-funded Company listed on the Australian Securities Exchange (ASX: IBG) and focused on the development of the Citronen project in Greenland. Ironbark's major shareholders include Zinc producers Nystar N.V and Glencore Xstrata Plc.

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 results from the Feasibility Study of Ironbark's 100% owned Citronen Project are summarised below*:

- NPV US\$609 Million (US\$354M post tax)
- IRR 32.0% (22.2% post tax)
- Equity Return 37.9% (Geared NPV after tax)
- Capital Cost US\$429.3 Million inc contingency (US\$484.8M with First Fills)
- Operating Cost US\$0.68/lb Zn (Payable, Net of by-product credits, Years 1-5, Smelter fees additional US\$0.22/lb Zn)
- Mine Life 14 years
- Life of Mine Revenue US\$5.65 Billion
- Life of Mine Operating Costs US\$3.42 Billion

Citronen benefits from the following favourable characteristics:

- Located in Greenland – low sovereign risk
- Located adjacent to deep, protected water on the doorstep of Europe and North America
- Simple, flat and continuous ore zones

- Open-pit fresh sulphide potential with very low strip ratios to supplement higher grade underground mined mineralisation
- Long mine life, with resource open to further mineralisation in almost every direction
- Simple, predominantly underground room and pillar mining operation
- One of the few world class deposits wholly owned by a junior company
- Production scheduled at a time of many planned zinc mine closures, a shortage of zinc supply and anticipated high zinc prices
- Ironbark is working with China Nonferrous under a MOU to deliver an EPC fixed price contract and financing for the project

Citronen currently hosts in excess of 11 Billion pounds of zinc (Zn) and lead (Pb). The current JORC compliant resource for Citronen:

59.9 million tonnes at 5.9% zinc (Zn) + lead (Pb)

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	15.0	5.8	0.5	6.3
Indicated	19.3	5.1	0.6	5.7
Inferred	25.5	5.3	0.5	5.8
Total	59.9	5.3	0.5	5.9

Using inverse distance squared (ID²) interpolation and reported at a 3.0% Zn cut-off

within a larger global resource of:

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	33.2	3.8	0.5	4.2
Indicated	52.2	3.7	0.5	4.2
Inferred	47.2	3.3	0.4	3.7
Total	132.6	3.6	0.5	4.0

Using Ordinary Kriging interpolation and reported at a 2% Zn cut-off

For further information please contact:

Jonathan Downes
 Managing Director
 T +61 8 6461 6350
www.ironbark.gj

James Moses
 Mandate Corporate
 T +612 8012 7702
 E james@mandatecorporate.com.au

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.