IRONBARK Zinc Limited

AND ITS CONTROLLED ENTITIES

ABN 93 118 751 027

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED **30 JUNE 2013**

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CORPORATE DIRECTORY

NON EXECUTIVE CHAIRMAN
Peter Bennetto

EXECUTIVE MANAGING DIRECTOR
Jonathan Downes

EXECUTIVE TECHNICAL DIRECTOR
Adrian Byass

EXECUTIVE ENGINEERING DIRECTOR
Gregory Campbell

NON EXECUTIVE DIRECTORS
David Kelly
John McConnell
Gary Comb
Chris James

COMPANY SECRETARY
Robert Orr

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Code: IBG

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MANAGING DIRECTOR'S LETTER

Dear Shareholders,

I take great pleasure in sharing with you a review of Ironbark's activities over the past year towards developing a globally significant base metals mining house, which included several major milestone achievements at our core asset, the Citronen Base Metals Project (Citronen) in Greenland, as well as further exploration success at our other projects.

The release of the Citronen Feasibility Study ratified Citronen as a world class base metal mining project. Citronen now rates as the largest zinc resource wholly owned by a junior company and, following the takeover for the remainder of Perilya not owned by China's state-owned zinc miner Shenzhen Zhongjin Lingnan Nonfemet Co (SZLN), Ironbark is the only large scale zinc developer listed on the Australian Securities Exchange.

The zinc miners of the world have been positioning themselves over the past few years, largely absorbing all the zinc production on the Toronto and Australian stock markets. This, along with the forecast closure of significant mines and falling zinc stockpiles over the last six months, is laying the foundations for a potential zinc rally which Ironbark will be uniquely positioned to take advantage of. However, despite this bullish backdrop, the zinc price has remained relatively low, creating a very challenging market.

In addition to being located in Greenland, a nation actively seeking to foster a mining sector to help support its economy, Citronen's mine life of at least 14 years is defined only by the limits of drilling conducted to date. As such, one of the Project's most exciting aspects remains its exceptional exploration potential, with identified mineralisation at Citronen remaining open in almost every direction.

Preceding the release of the Feasibility Study – the culmination of an extraordinary amount of dedicated work – the Company was pleased to report exceptional recoveries exceeding 90% from metallurgical test work at Citronen and the significant achievement of lodging Citronen's Environmental Impact Assessment (EIA) with the Bureau of Minerals and Petroleum of Greenland (BMP). Ironbark was also delighted to have been awarded the Prospector and Developers award in Greenland as a strong signal of their support.

To ensure the Citronen Project's course towards development in a difficult funding environment, Ironbark has been working with China Nonferrous (NFC) in accordance with the Memorandum of Understanding (MOU) struck between both parties to develop the delivery program for Citronen. The MOU includes an integrated EPC fixed price contract to design, build and commission Citronen with a funding package from Chinese banks. Ironbark's partnership with NFC provides a pathway to funding and development of Citronen that minimises shareholder dilution.

Closer to home, Ironbark also experienced success at the Jerangle Prospect (Jerangle) within its Captains Flat Base Metals Project in NSW. Ironbark's Captains Flat Project joint venture partner, NSW Base Metals Pty Ltd (NSWBM) (owned by Glencore Xstrata), conducted testing and surveys at Jerangle which identified extensive, strong bedrock Electro Magnetic (EM) conductors and highlighted the potential for considerable deeper mineralisation. Drilling of the EM conductor at Jerangle delivered results indicating a very large mineralised system, with results returned from drill hole JRDD1201**,** including 2.2m @ 7.3% Zn, 0.3% Pb and 0.3% Cu.

At the Peakview Project, high grade gold and copper rock chip results were returned from the Fiery Creek and Macanally Prospects including grades of up to 253g/t gold and 14.9% copper. Ironbark is working towards obtaining drilling permits for the project.

In addition to advancing its exploration interests, Ironbark's team has also committed its resources to identifying merger and acquisition opportunities available to the Company via its undrawn US$50M Glencore funding facility. The Glencore facility is designed to provide funding to pursue opportunities which will develop the Company's project portfolio. The Company strongly believes the current difficult market conditions provide an exceptional environment to expand and is continuing to assess a number of available opportunities.

MANAGING DIRECTOR'S LETTER (cont)

Ironbark has accomplished all of the above despite difficult background market conditions. In recognition of these conditions, significant cost reductions have been made at all levels of the business in order to maintain the best springboard for future share price growth once the fundamentals of the zinc market improve.

The Company firmly believes the combination of the inevitable impending shortage of zinc metal and zinc mines with increased and on going international demand for zinc will deliver an encouraging platform for Ironbark's development. This belief is supported by the highly reputable base metal/commodity forecasting group, Wood Mackenzie, who have forecast a rising zinc price from late-2013 onwards.

Our team remains committed and confident in the Company's primary goal of progressing Citronen's development and will endeavour to deliver a major mining operation as quickly and prudently as possible. Adding value to our existing domestic and international projects and also ensuring corporate development via the acquisition of complimentary assets are also major goals in the New Year.

On behalf of the Ironbark team, I extend our gratitude for your valued, continued support as we continue to build a leading international base metals company.

Yours sincerely,

Jonathan Downes
Managing Director

DIRECTORS' REPORT

Your Directors present their report on Ironbark Zinc Limited (the "Company" and "Ironbark") and its controlled entities (together the "Consolidated Entity") for the financial year ended 30 June 2013.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

Mr Peter Bennetto	Non Executive Chairman
Mr Jonathan Downes	Executive Managing Director
Mr Adrian Byass	Executive Technical Director
Mr Gregory Campbell	Executive Engineering Director
Mr David Kelly	Non Executive Director
Mr John McConnell	Non Executive Director
Mr Gary Comb	Non Executive Director
Mr Chris James	Non Executive Director (appointed 11 February 2013)
Mr Greg McMillan	Non Executive Director (resigned 11 February 2013)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company Secretary

Mr Robert Orr, CA holds the position of Company Secretary. Mr Orr is a Chartered Accountant and has acted as Chief Financial Officer and Company Secretary for a number of ASX listed companies, with over 20 years' experience in public practice and commerce. He has worked extensively in the resource industry with experience in capital markets, project development, contract negotiation and mining operations.

3. Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the financial year were the exploration and evaluation of the Consolidated Entity's zinc and gold ground holdings. There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

4. Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax amounted to $2,081,058 (2012: $57,419,072).

5. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTOR'S REPORT (cont.)

6. Review of Operations

Ironbark is pleased to report to its shareholders a summary of the Company's considerable work conducted over the year ending 30 June 2013. The focus has remained directed towards Citronen with the aim of developing Citronen into a major base metal mine, and also on taking advantage of challenging market conditions through the application of a US$50M funding facility provided by Glencore Xstrata (Glencore). The Company retains a solid working capital position.

CITRONEN BASE METALS PROJECT, GREENLAND

Ironbark's biggest achievement of the year was the release of its Citronen Feasibility Study, which represents the culmination of an enormous amount of work, primarily conducted by independent engineers.

Highlights of the Citronen Feasibility Study*:

- 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

** The assumptions these results are based on are detailed in the Feasibility Study document, released to ASX on 29 April 2013.*
***Nominal Operating Cost: US$0.68/lb Zn (payable, net of by-product credits, years1-5, smelter fees additional US$0.22/lb Zn).*

The Citronen base metals project benefits from the following favourable characteristics:

- Located in Greenland – a country with 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 available to supplement higher grade underground mined mineralisation
- Simple, predominantly underground room and pillar mining operation planned
- Long mine life, with mineralisation open in almost every direction
- One of 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.

The Feasibility Study incorporated a recent review of capital costs and the 2012 updated Resources Statement. Further advances and improvements, particularly surrounding resource confidence and mine scheduling, were released in 2012 and were included in the Feasibility Study.

DIRECTOR'S REPORT (cont.)

New metallurgical breakthroughs made with zinc flotation (flotation recoveries of 90% zinc achieved) were reported in the Feasibility Study; however, as additional test work is planned, the results have not been included in the Feasibility Study. The higher recoveries will be incorporated into the Feasibility Report following the completion of further studies.

Ironbark has an engineering and construction Memorandum of Understanding (MOU) with China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd (NFC) for a fixed price Engineering, Procurement and Construction (EPC) contract. The MOU encompasses 70% debt funding through Chinese banks and provides NFC with a right to purchase a 20% direct interest in the Citronen Project.

Citronen's Feasibility Study with all the supporting studies was formally presented to NFC for the purposes of preparing the EPC and financing work.

China Nonferrous Proceeds with Citronen EPC/Financing Under MOU

Post year end, Ironbark was pleased to report (ASX announcement dated 15 July 2013) the Feasibility Study for its Citronen Base Metal Project had been presented 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
- NFC entering into an offtake agreement for the concentrate products of the Project or a portion thereof.

Having finalised the Citronen Feasibility Study on the 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.

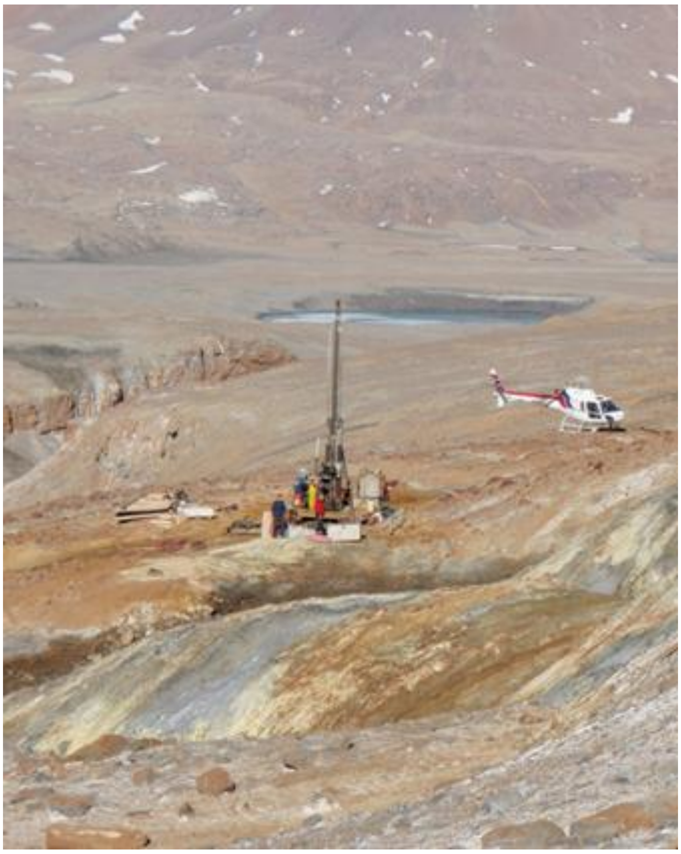
Ironbark is very pleased the Citronen project is continuing its progress towards development in the current tough funding environment. Ironbark's partnership with NFC provides a pathway to funding and development of Citronen that minimises shareholder dilution.

Ironbark wins Greenland Prospector & Developer of the Year Award

Ironbark was honoured to be awarded the prestigious "Greenland Prospector and Developer of the Year 2013" award for its work on the Citronen base metal project at the Prospectors and Developers Association of Canada convention in Toronto. The criteria for the award are that it is given to a company or a person who has been active in exploration and has shown initiative and innovation as well as inspiring other companies with consideration also made for sound environmental practices and social responsibility.

DIRECTOR'S REPORT (cont.)

Ironbark campsite at Citronen



Drill rig onsite at Citronen

Drill core from Citronen

DIRECTOR'S REPORT (cont.)

OTHER GREENLAND PROJECTS

Washington Land

Ironbark's maiden drilling programme at its wholly owned Washington Land project reported high-grade zinc-lead-silver-barite mineralisation. The diamond drilling program conducted in 2011/2012 was designed to follow-up limited work done by Rio Tinto under a joint venture with Platinova AS at the Cass Prospect within the project in 1999. The Cass Prospect is situated in the Franklinian Basin which also hosts the Citronen project and Polaris and Nanisivik's historic high-grade lead and zinc mines in Nunavut, Canada.

All holes drilled in Ironbark's programme (over a 2.7 Kilometre strike) were mineralised and the results validate the project's potential to host a large scale base metal resource. Highlight results included:

- 3m @ 16.4% zinc + lead, 77 g/t silver within 17m @ 4.1% zinc + lead, 23 g/t silver from 48m downhole.

Niton-XRF testing of drill core samples from Washington Land Project

Ironbark has established a comprehensive camp facility at Washington Land and has its own diamond drill rig at the project. Throughout the year the Company conducted a site visit to the Washington Land camp to review the 2011 diamond core. The Company reviewed all available information for the Project to generate further exploration targets and remains committed to conducting additional exploration activities to add further value to the Washington Land Project.

Mestersvig Project

Ironbark's wholly owned Mestersvig Project, located in eastern Greenland, has undergone prior drilling exploration by the Company. Three diamond holes were drilled at the historic Blyklippen lead-zinc mine and another three at the Sortebjerg prospect. All holes intersected mineralisation, and results included:

- 1.1m @ 12.2% zinc + lead and 8.2 g/t silver from 263m at Blyklippen; and
- 2.5m @ 8.9% zinc + lead, 2 g/t silver and 1.0m @ 17.3% zinc + lead, 4 g/t silver at Sortebjerg.

DIRECTOR'S REPORT (cont.)

The results confirmed the continuation of high-grade mineralisation at depth below the Blyklippen mine and open-ended mineralisation at the Sortebjerg regional prospect. Throughout the year, the Company reviewed historic reports on the Mestersvig area recently released by the Geological Survey of Denmark and Greenland (GEUS). This information revealed the regions prospectively for base metal and molybdenum mineralisation and is being used to generate further exploration targets within the Mestersvig Licence area. The company remains committed to conducting additional exploration activities to add further value to the Mestersvig Project.

AUSTRALIAN PROJECTS

Peakview Project, NSW

High grade gold and copper rock chip results delivered at Ironbark's 100% owned Peakview Project, including peak results including:

- Peak gold: 253g/t, 94.8g/t, 91.5g/t and 53.4g/t
- Peak copper: 15.3%, 14.9%, 7.6% and 6.6%

Towards the end of this financial year, Ironbark was pleased to announce additional high grade gold and copper rock chip results had been returned from its 100% owned Fiery Creek and Macanally Prospects at the Peakview Project in New South Wales.

Niton-XRF testing of rock chip samples from the Fiery Creek Prospect within the Peakview Project

These results were derived from 54 rock chip samples taken from around historical workings at the Fiery Creek and Macanally Prospects during a follow-up mapping campaign. The extensive rock chip sampling returned very positive results, with grades returned of up to 253g/t gold and 14.9% copper. Earlier in the year, the Company reported the discovery of unexpectedly high-grade copper and gold rock chip results from the Fiery Creek Prospect, with six rock chip samples taken from around the historic pits and shafts returning up to 15.3% copper and 22.7 g/t gold.

Approximately 85% of the current rock chip samples reported grades in excess of 1g/t gold and the average grade for all samples taken was an impressive 17.15g/t gold. These results confirm the high

DIRECTOR'S REPORT (cont.)

tenor of the historic workings within Ironbark's tenement (EL6925), which stretch for over 7 kilometre and consist of multiple parallel mineralised zones.

Ironbark is very encouraged by the value-adding results delivered from Peakview this year and continues to believe the project holds high potential for the discovery of economic grade mineralisation.

To date, drill testing of the lodes below the historically mined material has been limited. The Company is currently working towards gaining approval to conduct a drilling program at the Fiery Creek and Macanally Prospects.

Captains Flat Project

Drilling results from the Jerangle Prospect indicate a large mineralised system with results returned from drill hole JRDD1201, including:

- 2.6 metres @ 10 g/t silver, 0.2% copper and 6.0% lead+zinc
- 5.0 meters @ 4.2 g/t silver, 0.13% copper and 4.6% lead+zinc
- 9.9 metres @ 5.7 g/t silver and 0.45% copper

Ironbark and its Captains Flat Project joint venture partner, NSW Base Metals Pty Ltd (NSWBM) (a subsidiary of Glencore Xstrata), were pleased to announce several zones of base metal sulphide mineralisation were intercepted in drill hole JRDD1201 at the Jerangle Prospect, within the Captains Flat Project area.

Drilling commenced at the Jerangle Prospect to test an electromagnetic (EM) conductor identified by NSWBM. The target was located below a drill intercept of JRDD1101 which returned higher-grade zones including 2.2 metres @ 8.0% zinc and 4.4 metres @ 5.0% zinc from 378.0 metres and 386.8 metres down hole, respectively, within broader lower grade mineralisation.

A four metre zone of zinc mineralisation was intercepted in drill hole JRDD1201 from approximately 524 metres down hole consisting of a beige coloured content sphalerite. This zone returned a higher-grade core of 2.6 metres @ 10 g/t silver, 0.2% copper and 6.0% lead+zinc from 524.4 metres.

Additional broad zones of low-grade copper were also intercepted, including 9.9 metres @ 5.7 g/t silver and 0.45% copper from 633.1 metres down hole. The broad nature of the sulphide mineralisation is very encouraging as it indicates a potentially large-scale mineralised system.

The Company is in the process of reviewing and modelling these results to target higher-grade zones of mineralisation and determine the relationship with historic areas of drilling which returned grades of up to +5% copper. Elevated levels of indium were also identified, with a peak one metre intercept in grading 106.5 g/t indium from 620 metres. The indium mineralisation will also be evaluated to determine its significance.

Ironbark and NSWBM are currently entitled to a 51% Joint Venture Interest on an equal basis and have been jointly funding exploration to earn an additional 24% combined Joint Venture Interest from Forge Resources Limited.

DIRECTOR'S REPORT (cont.)

Drill rig onsite at the Jerangle Prospect within the Captains Flat Project

CORPORATE ACTIVITIES

US$50 Million Funding Facility with Glencore

Convertible at a significant premium to the Company's prevailing share price, the US$50 million dollar funding facility from Glencore is structured to fund Ironbark's growth acquisition strategy.

The facility provides Ironbark with significant funding to pursue acquisition opportunities consistent with the Company's strategy to become an international base metals mining company. It also further strengthens Ironbark's strategic relationship with Glencore and secures favourable off-take and marketing arrangements for future production from Ironbark projects.

An on-going focus over the past year has been on identifying opportunistic merger and acquisition prospects, so as to take advantage of considerable external growth opportunities that currently exist in today's difficult markets. Ironbark's Board remains dedicated to pursuing the Company's goal of developing into a major base metals company and is continuing its evaluation of numerous available opportunities.

Strategies and Prospects for Future Financial Years

The risks associated with the Company's present strategy primarily revolve around the future zinc and lead prices, sovereign and economic risk and the risk associated with attracting sufficient funding to develop the Citronen Project.

Ironbark's primary focuses going forward will continue to be progressing the Citronen Project towards development into a mine and identifying opportunistic merger and acquisition prospects to develop the Company's corporate growth.

DIRECTOR'S REPORT (cont.)

ABOUT CITRONEN

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 Citronen. The studies are based on an Ordinary Kriging methodology estimated mineral inventory of;

The current JORC 2004 compliant resource for Citronen:

Medium grade resource 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
Figures rounded to one decimal place

within a larger resource of:

Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	43.1	4.1	0.5	4.6
Indicated	51.2	4.1	0.4	4.6
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
Figures rounded to one decimal place

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.

DIRECTOR'S REPORT (cont.)

7. Discussion and Analysis of Operations and the Financial Position

The net assets of the Consolidated Entity have decreased from $94,730,405 in 2012 to $92,686,047 in 2013.

The Consolidated Entity's working capital, being current assets less current liabilities, has decreased from $4,172,819 in 2012 to $1,774,550 in 2013. As at 30 June 2013 the Consolidated Entity had $2,122,000 cash on hand. The Consolidated Entity may require further funding during the 2014 financial year in order to meet day to day obligations as they fall due and progress its exploration and development projects. The Directors anticipate that future financing for exploration and mining activities will be secured in a reasonable timeframe and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

Exploration and evaluation costs, are capitalised as exploration and evaluation assets on an area of interest basis. Exploration and evaluation assets are only recognised if:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. All exploration projects have been reviewed at 30 June 2013. Accordingly, the Consolidated Entity recorded exploration expense of $177,000.

During the 2012 year, the Company impaired the value of its exploration expenditure for the Citronen asset to fair value on the basis that facts and circumstances including the economic conditions were such that it considered it prudent and conservative to do so. The impairment was based on a technical project review and independent valuation. During the 2013 year, the Company assessed the carrying value of its exploration expenditure on the Citronen project and considered it to be a reflection of fair value on the basis of the facts and circumstances in particular the completion of the feasibility study which provided a valuation of the Citronen project at greater than the current recorded book value of the asset.

The Consolidated Entity continues to ensure that administration and overhead costs are kept to a minimum through sharing office costs and administration and accounting costs. The Consolidated Entity continually reviews the overhead associated with fees, consultants, corporate compliance and maintaining the listed entity and seeks to keep these costs to a minimum without compromising the entities commitment to appropriate corporate governance principles.

The Directors believe the Consolidated Entity is in a strong and stable financial position to expand and grow its current operations.

8. Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

On 26 November 2012, the Company issued 1,000,000 options to Gary Comb as part of his remuneration package. The options have an exercise price of $0.10 and an expiry date of 18 December 2016.

DIRECTOR'S REPORT (cont.)

On 11 February 2013, the Company appointed Chris James to the Company's Board as a Non executive Director, following the resignation of Greg McMillan.

9. After Reporting Date Events

On 26 July 2013 the Company settled without admission of liability the legal proceeding between Bedford Resources Holdings Ltd ("Bedford Resources") and the Company in relation to a request by Bedford Resources that a nominated person be appointed as a non executive director of Ironbark. Bedford Resources has agreed that no further right to appoint a director exists and that both parties bear their own legal costs. The Company agreed to issue 4,000,000 fully paid ordinary shares (value $220,000) and make a payment of $50,000 to Bedford Resources.

On 18 September 2013 the Company announced that it had resolved to raise approximately $2.2 million via a placement of company securities (36.7 million shares at 6 cents per share), in order to continue progress on its Citronen Zinc Project and fund further exploration activities on its Greenland and Australian base metal projects.

No further matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

10. Environmental Issues

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

11. Information on Directors

Mr Peter Bennetto	—	Non Executive Chairman
Qualifications	—	GAICD, SA Fin
Experience	—	Mr Bennetto has over 30 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 is Non Executive director of Fertoz Limited.
Interest in Shares and Options	—	274,000 fully paid ordinary shares and 1,000,000 options in Ironbark.
Directorships held in other listed entities	—	Waratah Resources Limited from 17 July 2008 to 23 January 2013; Fertoz Limited from 1 December 2010 to present date.

DIRECTOR'S REPORT (cont.)

Information on Directors (continued)

Mr Jonathan Downes	— Executive Managing Director
Qualifications	— BSc Geol, MAIG
Experience	— Mr Downes has over 15 years; experience in the minerals industry and has worked in various geological and corporate capacities. Mr Downes has experience in nickel, gold and base metals and has had extensive involvement in 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 Corazon Mining Limited and Waratah Resources Limited and Sabre Resources Limited
Interest in Shares and Options	— 8,385,000 fully paid ordinary shares and 2,000,000 options in Ironbark.
Directorships held in other listed entities	— Corazon Mining Limited from 10 April 2006 to present date Sabre Resources Limited from 14 December 2007 to present date Waratah Resources Limited from 17 July 2008 to present date Wolf Minerals Limited from 20 September 2006 to 11 June 2013

Mr Adrian Byass	— Executive Technical Director
Qualifications	— BSc Geol (Hons), B Econ, FSEG, MAIG
Experience	— Mr Byass has over 15 years' experience in the mining and minerals industry. This experience has principally been gained through mining, resource estimation, and mine development roles for several gold and nickel mining and exploration companies. Through his experience in resource estimation and professional association membership, Mr Byass 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). Mr Byass is currently a Non Executive Director of Corazon Mining Limited, Fertoz Limited and Managing Director of Plymouth Minerals Limited.
Interest in Shares and Options	— 10,455,454 fully paid ordinary shares and 1,500,000 options in Ironbark.
Directorships held in other listed entities	— Corazon Mining Limited from 3 September 2009 to present date Plymouth Minerals Limited from 17 June 2010 to present date Wolf Minerals Limited from 20 September 2006 to 27 June 2013 Fertoz Limited from 4 September 2013 to present date

DIRECTOR'S REPORT (cont.)

Information on Directors (continued)

Mr Gregory Campbell	—	Executive Director
Qualifications	—	B Eng (Hons), MAusIMM, MIEAust
Experience	—	Mr Campbell has 20 years engineering experience across Australia primarily in the iron industry. Mr Campbell has experience in process and chemical engineering as well as operating, marketing and financial analysis of projects in the metals industry. This experience has been gained in various capacities including 8 years with BHP Limited in a range of engineering and technical roles, 8 years in senior engineer consultancy roles with Aker Kvaerner and Promet Engineers and process engineering work for Ausmelt Limited.
Interest in Shares and Options	—	1,500,000 fully paid ordinary shares and 2,000,000 options in Ironbark
Directorships held in other listed entities	—	Nil

Mr David Kelly	—	Non Executive Director
Qualifications	—	BCom, CA
Experience	—	Mr Kelly is a qualified Chartered Accountant and Glencore representative.
Interest in Shares and Options	—	Nil
Directorships held in other listed entities	—	Nil

Mr John McConnell	—	Non Executive Director
Qualifications	—	BSc Min Eng
Experience	—	Mr McConnell is a Canadian mining engineer with a wealth of experience in developing and operating base metal and precious mineral mining operations in the Arctic. Mr McConnell has over 30 years of mining experience including exploration, engineering, environmental assessment and permitting, construction and operations. Recently, Mr McConnell was President and CEO of Western Keltic Mines until it was acquired by Sherwood Copper. Prior to that Mr McConnell was the Vice President of Northwest Territories Projects for De Beers Canada. Mr McConnell is currently an Executive Vice President and Director of Victoria Gold Corp. He is a graduate of the Colorado School of Mines with a Bachelor of Science in Mining Engineering.
Interest in Shares and Options	—	80,000 fully paid ordinary shares and 500,000 options in Ironbark
Directorships held in other listed entities	—	Victoria Gold Corp from 8 January 2009 to present date

DIRECTOR'S REPORT (cont.)

Information on Directors (continued)

Mr Gary Comb	— Non Executive Director
Qualifications	— BE Mech, BSc, Dip Ed
Experience	— Mr Comb has spent over 25 years in the Australian Mining Industry, both with mining companies and in mining contractor roles. He was previously the Chief Executive Officer of BGC Contracting Pty Ltd, the mining contracting arm of West Australian construction group BGC Ltd and Managing Director of Jabiru Metals Limited.
Interest in Shares and Options	— 1,000,000 options in Ironbark
Directorships held in other listed entities	— Zenith Minerals Limited from 2 March 2007 to present date YTC Resources Limited from 4 July 2012 to present date Finders Resources Ltd from 5 June 2013 to present date

Mr Chris James	— Non Executive Director
Qualifications	— BSc Mec Eng, MBA
Experience	— Mr James, has been the Group Manager of Corporate Development for Nyrstar since 2010, and led the acquisitions of Farallon Mining and Breakwater Resources. He joined the group in 2002 and his background includes mining and metals operations, strategy, business improvement and investor relations. Mr James holds a Bachelor of Science and Engineering (Mechanical) from Monash University, and an Executive MBA from London Business School. Mr James is a Nyrstar representative.
Interest in Shares and Options	— Nil
Directorships held in other listed entities	— Nil

Mr Greg McMillan	Non Executive Director
Qualifications	— BCom, MBA
Experience	— Mr McMillan was appointed Chief Operating Officer in August 2007 for Nyrstar's global operations. Before the creation of Nyrstar he was general manager of the Zinifex Century Mine and prior to this general manager at the Hobart smelter. Before Zinifex he held several management positions at Delta group, Boral and Brambles Limited. He holds a Certificate of Production Engineering from the Sydney Institute of Technology, a Bachelor of Commerce from Griffith University and a Master of Business Administration from the Australian Graduate School of Management, University of NSW, Australia.
Interest in Shares and Options	— Nil
Directorships held in other listed entities	— Nil

DIRECTOR'S REPORT (cont.)

12. Remuneration Report – Audited

This report details the nature and amount of remuneration for each key management person of Ironbark, and for the executives receiving the highest remuneration.

Remuneration policy
Ironbark's remuneration policy has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board of Ironbark believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Entity is as follows:

– The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the remuneration committee and approved by the Board.
– All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
– The remuneration committee reviews key management personnel packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options have previously been issued to Directors to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Further options and performance incentives may be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can be used as measurements for assessing board performance.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.25%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

DIRECTOR'S REPORT (cont.)

The employment conditions of the Managing Director, Mr Jonathan Downes, and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Ironbark.

The employment contract states a three-month resignation period. The Company may terminate an employment contract without cause by providing one to three months' written notice or making payment in lieu of notice, based on the individual's salary component.

Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:

Key Management Personnel	Position held as at 30 June 2013 and any change during the year	Contract details (duration and termination)	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance	
			Non-Salary cash-based incentives %	Shares / Units %	Options /Rights %	Fixed salary/ Fees %	Total %
Peter Bennetto	Non Executive Chairman	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Jonathan Downes	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Adrian Byass	Executive Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Gregory Campbell	Executive Director	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
David Kelly	Non Executive Director	No fixed term. Upon advice from Nominee Glencore, required to terminate.	-	-	-	-	-
John McConnell	Non Executive Director	No fixed term. 3 months notice required to terminate.	-	-	-	-	-
Chris James	Non Executive Director	No fixed term. Upon advice from Nominee Nyrstar, required to terminate.	-	-	-	-	-
Gary Comb	Non Executive Director	No fixed term.	-	-	33	67	100
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 3 months notice required to terminate.	-	-	-	100	100

DIRECTOR'S REPORT (cont.)

(a) Key Management Personnel Remuneration

	Short Term Benefits		Share Based Payments	Post Employment Benefits	Total
	Salary and fees	Others	Options	Superannuation	
2013	**$000**	**$000**	**$000**	**$000**	**$000**
Peter Bennetto	95	-	-	9	104
Adrian Byass	222	-	-	13	235
Jonathan Downes	250	-	-	22	272
Gregory Campbell	244	-	-	22	266
Gary Comb	67	-	37	6	110
David Kelly	-	-	-	-	-
John McConnell	-	-	-	-	-
Chris James*	-	-	-	-	-
Greg McMillan*	-	-	-	-	-
Robert Orr	227	-	-	20	247
	1,105	-	37	92	1,234
2012					
Peter Bennetto	92	-	-	8	100
Adrian Byass	150	-	-	14	164
Jonathan Downes	263	-	-	24	287
Gregory Campbell	236	-	-	21	257
Gary Comb	28	-	-	3	31
David Kelly	-	-	-	-	-
John McConnell	-	-	-	-	-
Greg McMillan	-	-	-	-	-
Robert Orr	225	-	-	20	245
	994	-	-	90	1,084

**On 11 February 2013, the Company appointed Chris James to the Company's Board as a Non Executive Director, following the resignation of Greg McMillan.*

Performance income as a proportion of total income
No bonuses were paid to Executive or Non Executive Directors during the period.

(b) Options issued as part of remuneration for the year ended 30 June 2013
On 26 November 2012, the Company issued 1,000,000 options to Gary Comb as part of his remuneration package. The options have an exercise price of $0.10 and an expiry date of 18 December 2016.

(c) Shares Issued on Exercise of Compensation Options
There were no options exercised during the year that were granted as compensation in prior periods.

DIRECTOR'S REPORT (cont.)

13. Meetings of Directors

During the financial year, seven meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Bennetto	7	7	2	2	1	1
Jonathan Downes	7	7	2	2	1	1
Adrian Byass	7	6	-	-	-	-
Gregory Campbell	7	7	-	-	-	-
David Kelly	7	7	2	2	1	1
John McConnell	7	5	-	-	-	-
Greg McMillan	3	3	1	1	1	1
Gary Comb	7	7	-	-	-	-
Chris James	4	4	-	-	-	-

14. Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $2,188 for each Director.

- Peter Bennetto
- Jonathan Downes
- Adrian Byass
- Gregory Campbell
- David Kelly
- John McConnell
- Chris James
- Gary Comb

15. Options

At the date of this report, the unissued ordinary shares of Ironbark under option are as follows:

Grant Date	Date of Expiry	Exercise Price $	Number under Option 000
17/11/2010	16/11/2013	0.45	9,050
17/11/2010	16/11/2013	0.35	500
24/01/2012	31/12/2017	0.30	5,000
24/01/2012	20/01/2015	0.45	500
26/11/2012	18/12/2016	0.10	1,000
			16,050

DIRECTOR'S REPORT (cont.)

16. Proceedings on Behalf of the Company

On 29 July 2013 proceedings brought against the Company by Bedford Resources Holding Limited were dismissed by the Supreme Court of Western Australia.

An injury claim made in the Canadian Supreme Court against a contractor named the Company as a co-defendant. The Company has subsequently been removed as a co-defendant.

Apart from the above, no other person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

17. Non-Audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and the objectivity of the auditor; and
- the nature of the services provided to not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid out to PKF Mack & Co Chartered Accountants for non-audit services provided during the year ended 30 June 2013:

Taxation compliance service	$5,390

18. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 23 of the financial report.

19. Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Jonathan Downes
Executive Managing Director

Date: 24 September 2013

Chartered Accountants & Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF IRONBARK ZINC LIMITED
AND CONTROLLED ENTITIES

In relation to our audit of the financial report of Ironbark Zinc Ltd for the year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack & Co.

PKF Mack & Co

Shane Cross
Partner

24 September 2013
West Perth,
Western Australia

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $000	2012 $000
Other revenue	2	385	685
Administration expenses		(273)	(587)
Compliance expenses		(509)	(485)
Consultancy expenses		(238)	(746)
Director's fees		(281)	(124)
Employee benefits expense		(653)	(791)
Depreciation and amortisation expense	12	(12)	(15)
Equity compensation benefits	22	(37)	(716)
Exploration expenditure written off	14	(177)	(53,943)
Insurance		(66)	(74)
Occupancy expenses		(119)	(229)
Provision for impairment of receivables		(38)	-
Realised loss on sale of financial asset		(100)	-
Fair value movement of financial assets		37	-
Cumulative loss reclassified from equity on impairment of available-for-sale financial assets		-	(475)
Loss before income tax expense	3	(2,081)	(57,500)
Income tax benefit	4	-	81
Loss for the year		(2,081)	(57,419)
Other comprehensive income/(loss), net of income tax			
Items that may be subsequently reclassified to profit or loss			
Net change in fair value of available -for-sale financial assets		-	(315)
Other comprehensive income/(loss), net of tax		-	(315)
Total comprehensive loss for the year		(2,081)	(57,734)
LOSS PER SHARE			
Basic loss per share (cents)	7	(0.56)	(16.0)
Diluted loss per share (cents)	7	(0.56)	(16.0)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	NOTE	2013 $000	2012 $000
CURRENT ASSETS			
Cash and cash equivalents	8	2,122	4,162
Trade and other receivables	9	109	89
Other current assets	13	21	67
Income tax receivable	4	-	81
TOTAL CURRENT ASSETS		2,252	4,399
NON CURRENT ASSETS			
Plant and equipment	12	44	56
Exploration and evaluation expenditure	14	90,699	89,268
Financial assets	10	112	1,089
Other assets	13	163	155
TOTAL NON CURRENT ASSETS		91,018	90,568
TOTAL ASSETS		93,270	94,967
CURRENT LIABILITIES			
Trade and other payables	15	391	155
Short term provisions	16	86	82
TOTAL CURRENT LIABILITIES		477	237
NON CURRENT LIABILITIES			
Long term provisions	16	107	-
TOTAL NON CURRENT LIABILITIES		107	-
TOTAL LIABILITIES		584	237
NET ASSETS		92,686	94,730
EQUITY			
Issued capital	17	107,680	107,680
Reserves	18	1,936	2,105
Accumulated losses		(16,930)	(15,055)
TOTAL EQUITY		92,686	94,730

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital $000	Accumulated Losses $000	Asset Revaluation Reserve $000	Option Reserve $000	Total $000
Balance at 1 July 2011	107,680	(5,597)	315	49,350	151,748
Loss for the year	-	(57,419)	-	-	(57,419)
Other comprehensive income					
Asset revaluation reserve	-	-	(315)	-	(315)
Total comprehensive income/(loss) for the year	-	(57,419)	(315)	-	(57,734)
Transactions with owners, recorded directly in equity					
Share based payment	-	-	-	716	716
Option lapsed	-	47,961	-	(47,961)	-
Balance at 30 June 2012	107,680	(15,055)	-	2,105	94,730
Loss for the year	-	(2,081)	-	-	(2,081)
Other comprehensive income					
Asset revaluation reserve	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	(2,081)	-	-	(2,081)
Transactions with owners, recorded directly in equity					
Share based payment	-	-	-	37	37
Option lapsed	-	206	-	(206)	-
Balance at 30 June 2013	107,680	(16,930)	-	1,936	92,686

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $000	2012 $000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,777)	(3,067)
Interest received		188	562
Other		295	423
Net cash flows used in operating activities	21	(1,294)	(2,082)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		-	(8)
Payments for exploration and evaluation		(1,654)	(6,532)
Payments for purchase of investments		-	(1,013)
Proceeds from sale of investments		908	-
Proceeds from refund of deposit		-	1,529
Net cash flows used in investing activities		(746)	(6,024)
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	-
Payments for share issue cost		-	-
Net cash flows generated from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(2,040)	(8,106)
Cash and cash equivalents at beginning of financial year		4,162	12,268
Cash and cash equivalents at end of financial year	8	2,122	4,162

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Ironbark Zinc Limited ('Ironbark' or the 'Company') for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of Directors on 24 September 2013.

This financial report includes the consolidated financial statements and notes of Ironbark and controlled entities ('Consolidated Entity' or 'Group').

Ironbark is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

Basis of Preparation
The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* as appropriate for profit oriented entities. The consolidated financial report of the Group comply with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB).

Basis of Measurement
The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions
The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model. Refer to note 22 for further details.

(ii) Impairment of exploration and evaluation assets and investments in and loans to subsidiaries
The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

– Recent exploration and evaluation results and resource estimates;
– Environmental issues that may impact on the underlying tenements;
– Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Refer to note 14 for further details.

(iii) *Income tax expenses*

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to note 4 for further details.

(iv) *Classification of investments*

The Group has decided to classify investments in listed securities as available for sale. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the revaluation reserves. Refer for note 10 for further details.

(v) *Project valuation*

The variables used by the Directors in valuing the project are based on a series of assumptions provided by the executives and external consultants. The Company has recently completed a Feasibility Study on the Citronen project which uses a discounted cash flow to support the project value.

The key assumptions to which the model is most sensitive include:

– Zinc and lead prices
– Foreign exchange rates
– Production and capital costs
– Discount rate
– Zinc and lead reserves and resources

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of external consultants and experts within the Company to validate entity specific assumptions such as zinc and lead reserves and resources.

The project cash flow forecasts are based on estimates of future zinc and lead prices. The prices used are based on externally verifiable forecast prices per tonne of zinc and lead provided by external industry experts.

The long term AUD/USD forecast exchange rate used is based on externally verifiable sources.

Production and capital costs are based on external consultant estimate and internally generated estimates based on the forecast geological conditions and estimated future production levels.

The Company has applied a discount rate to the forecast future attributable cash flows. The discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

The recoverable reserve of zinc and lead is dependent on the life of mine. This is calculated based on the projected annual production forecast for the project and zinc and lead reserves and resources.

There is a risk that the assumptions used in present valuations and the change in prevailing market conditions could affect the project value.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ironbark as at 30 June 2013 and the results of all controlled entities for the year then ended. Ironbark and its controlled entities together are referred to in this financial report as the Group. The effects of all transactions between entities in the Group are eliminated in full.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 11 to the financial statements.

c. Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.
Where the business combination is achieved in stages, the Consolidated Entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

d. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

e. Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised either in the statement of profit or loss and other comprehensive income or revaluation reserves in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) Non-financial Assets other than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

f. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

Ironbark and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

g. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

h. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	10–40%
Exploration site equipment	10-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

i. Financial Instruments

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Purchases and sales of investments are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments are not reversed through the statement of profit or loss and other comprehensive income.

j. Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

k. Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

– assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
– income and expenses are translated at average exchange rates for the period; and
– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

l. Employee Benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) Superannuation

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) Employee benefit on costs

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Options

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

n. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

o. Revenue and Other Income

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q. Receivables

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when some doubt as to collection exists.

r. Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

t. Investments

Interests in listed and unlisted securities are initially brought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in Note 1(b).

Other securities are included at fair value at reporting date. Unrealised gains/losses on securities held for short term investment are accounted for as set out in Note 1 (h) (i) financial assets at fair value through profit or loss. Unrealised gains/losses on securities held for long term investment are accounted for as set out in Note 1 (h) (iii) available for sale financial assets.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

u. Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

v. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

w. Rounding of Amounts

The Company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors' Report have been rounded off to the nearest $000.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

x. New standards and interpretations not yet adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the Company and Consolidated Entity but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Reference	Title	Application date of standard	Issue Date
AASB 9	Financial Instruments	1 January 2015	December 2010
AASB 10	Consolidated Financial Statements	1 January 2013	August 2011
AASB 11	Joint Arrangements	1 January 2013	August 2011
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	August 2011
AASB 13	Fair Value Measurement	1 January 2013	September 2011
AASB 119	Employee Benefits	1 January 2013	September 2011
AASB 127	Separate Financial Statements (revised)	1 January 2013	August 2011
AASB 128	Investment in associates and joint venture (revised)	1 January 2013	August 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	1 January 2013	June 2010
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements AASB 124	1 July 2013	July 2011
AASB 2012-2	Amendments to Australian Accounting Standards – disclosure offsetting financial assets and financial liabilities	1 January 2013	June 2012
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 2012-5	Amendments to Australian Accounting Standards arising from annual improvements 2009-2011 cycle	1 January 2013	June 2012
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	1 January 2013	December 2012
AASB 2013-3	Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets	1 January 2014	June 2013
AASB 2013-4	Amendments to Australian Accounting Standards – notation of derivatives and continuation of hedge accounting	1 January 2014	July 2013
AASB 2013-5	Amendments to Australian Accounting Standards – Investment entities	1 January 2014	August 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	November 2011
Interpretation 21	Levies	1 January 2014	May 2013

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

	2013 $000	2012 $000

2. OTHER REVENUE

	2013 $000	2012 $000
Operating activities		
- Interest received	147	350
- Cost recoveries	223	335
- Exploration grant	15	-
Total Other Revenue	385	685

3. LOSS BEFORE INCOME TAX EXPENSES

	2013 $000	2012 $000
Losses before income tax have been arrived after charging the following items:		
Occupancy costs	119	229
Employee benefits expense	589	743
Foreign exchange loss/(gain)	(8)	61
Superannuation expenses	64	48
Equity compensation benefits	37	716
Depreciation of non-current assets		
- plant & equipment	12	15
Exploration expenditure written off	177	53,943

4. INCOME TAX BENEFIT

	2013 $000	2012 $000
a. The components of tax benefit comprise:		
Current tax	-	81
Deferred tax	-	-
b. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2012: 30%)	(624)	(17,250)
Add:		
Tax effect of:		
- Other non-allowance items	94	255
- Share based payments	11	215
- Provisions and accruals	37	136
- Accrued income	12	65
- Impairment of overseas investments	-	16,183
- Capital losses not recognised	32	-
- Revenue losses not recognised	493	612
	679	17,466
Less:		
- Exploration, evaluation and development expenditure	47	216
- Other income	3	-
- Research and development tax concession rebate	5	81
	55	297
Income tax benefit attributable to entity	-	(81)
The applicable average weighted tax rates are	-	0%

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

c. As at the date of this report, the potential refundable tax offset for the reporting period ended 30 June 2013 has not been determined.

	2013 $000	2012 $000
d. The following deferred tax balances have not been recognised:		
Deferred Tax Assets:		
At 30%		
Carried forward revenue losses	1,232	740
Carried forward capital losses	43	11
Provisions and accruals	79	31
Property, plant and equipment	2	3
Impairment of investments	-	143
	1,356	928

The tax benefits of the above Deferred Tax Assets will only be obtained if:

a) The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and
b) The Company continues to comply with the deductibility conditions imposed by law; and
c) No change in income tax legislation adversely affects the Company in utilising the benefits.

Deferred Tax Liabilities:		
At 30%		
Exploration, evaluation and development expenditure	733	686
Investments	28	-
Accrued income	2	12
	763	698

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

5. KEY MANAGEMENT PERSONNEL COMPENSATION

a. *Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:*

Peter Bennetto	Non Executive Chairman
Jonathan Downes	Executive Managing Director
Adrian Byass	Executive Director
Gregory Campbell	Executive Director
David Kelly	Non Executive Director
John McConnell	Non Executive Director
Greg McMillan*	Non Executive Director
Gary Comb	Non Executive Director
Chris James*	Non Executive Director
Robert Orr	Chief Financial Officer and Company Secretary

* On 11 February 2013, the Company appointed Chris James to the Company's Board as a Non executive Director, following the resignation of Greg McMillan.

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

b. *Options and rights holdings*

2013	**Balance 1.7.2012**	**Granted as Compensation**	**Options Exercised**	**Option Expired**
Number of options held by key management personnel:	**No. 000**	**No. 000**	**No. 000**	**No. 000**
Peter Bennetto	1,000	-	-	-
Jonathan Downes	2,000	-	-	-
Adrian Byass	1,500	-	-	-
Gregory Campbell	2,500	-	-	(500)
John McConnell	700	-	-	(200)
Gary Combs	-	1,000	-	-
Robert Orr	1,250	-	-	-
Total	8,950	1,000	-	(700)

	Balance 30.6.2013	**Total Vested 30.6.2013**	**Total Exercisable 30.6.2013**	**Total Un-exercisable 30.6.2013**
Number of options held by key management personnel:	**No. 000**	**No. 000**	**No. 000**	**No. 000**
Peter Bennetto	1,000	1,000	1,000	-
Jonathan Downes	2,000	2,000	2,000	-
Adrian Byass	1,500	1,500	1,500	-
Gregory Campbell	2,000	2,000	2,000	-
John McConnell	500	500	500	-
Gary Combs	1,000	1,000	1,000	
Robert Orr	1,250	1,250	1,250	-
Total	9,250	9,250	9,250	-

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

2012	Balance 1.7.2011	Granted as Compensation	Options Exercised	Options Expired
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Peter Bennetto	1,000	-	-	-
Jonathan Downes	2,000	-	-	-
Adrian Byass	1,500	-	-	-
Gregory Campbell	2,500	-	-	-
John McConnell	700	-	-	-
Robert Orr	1,250	-	-	-
Total	8,950	-	-	-

	Balance 30.6.2012	Total Vested 30.6.2012	Total Exercisable 30.6.2012	Total Un-exercisable 30.6.2012
Number of options held by key management personnel:	No. 000	No. 000	No. 000	No. 000
Peter Bennetto	1,000	1,000	1,000	-
Jonathan Downes	2,000	2,000	2,000	-
Adrian Byass	1,500	1,500	1,500	-
Gregory Campbell	2,500	2,500	2,500	-
John McConnell	700	700	700	-
Robert Orr	1,250	1,250	1,250	-
Total	8,950	8,950	8,950	-

c. *Shareholdings*

2013	Balance 01.07.12	Received as compens-ation	Options exercised	Net change other	Balance 30.6.2013
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,385	-	-	-	8,385
Peter Bennetto	274	-	-	-	274
Adrian Byass	10,455	-	-	-	10,455
Gregory Campbell	1,500	-	-	-	1,500
John McConnell	80	-	-	-	80
Total	20,694	-	-	-	20,694

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

2012	Balance 01.07.11	Received as compensa-tion	Options exercised	Net change other	Balance 30.6.2012
Number of shares held by key management personnel:	No. 000	No. 000	No. 000	No. 000	No. 000
Jonathan Downes	8,385	-	-	-	8,385
Peter Bennetto	274	-	-	-	274
Adrian Byass	10,455	-	-	-	10,455
Gregory Campbell	1,500	-	-	-	1,500
John McConnell	80	-	-	-	80
Total	20,694	-	-	-	20,694

d. *Key management personnel compensation*

	2013 $000	2012 $000
The key management personnel compensation comprised:		
Short term employment benefits	1,105	994
Post-employment benefits	92	90
Share based payments	37	-
	1,234	1,084

e. *Individual key management personnel compensation disclosure*

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures as required by Corporation Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interest existing at the year end.

f. *Parent entity*

The ultimate parent entity within the Group is Ironbark Zinc Limited.

g. *Wholly-owned group transactions*

(ii) Loans to key management personnel
There were no loans to key management personnel at the end of the year.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

		2013 $000	2012 $000

6. AUDITORS' REMUNERATION

During the financial year the following fees were paid or payable for services provided by PKF Mack & Co, the auditor of the Group:

	2013 $000	2012 $000
Audit or review of financial statements	76	86
Preparation of tax return	5	8
	81	94

7. LOSS PER SHARE

		2013 $000	2012 $000
a.	Loss used to calculate basic EPS	(2,081)	(57,419)
	Loss used in the calculation of dilutive EPS	(2,081)	(57,419)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	368,392,667	368,392,667
c.	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	368,392,667	368,420,319

	2013 $000	2012 $000

8. CASH AND CASH EQUIVALENTS

	2013 $000	2012 $000
Cash at bank and in hand	2,122	162
Short term bank deposits	-	4,000
	2,122	4,162

The effective interest rate on short-term bank deposits was 2.71% (2012: 5.5%); these deposits have an average maturity of 90 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:

	2013 $000	2012 $000
Cash and cash equivalents	2,122	4,162

9. TRADE AND OTHER RECEIVABLES

	2013 $000	2012 $000
Current		
GST receivable	43	44
Other receivables	66	16
Amounts received from		
- Other related parties	-	29
	109	89

Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

Refer to note 25 Financial Instruments for further details.

10. FINANCIAL ASSETS

	2013 $000	2012 $000
Available-for-sale financial assets	112	1,089
Available-for-sale financial assets comprise:		
Listed investments, at fair value		
- Shares in listed corporations	112	1,089
Total available-for-sale financial assets	112	1,089

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2013 $000	2012 $000
Opening fair value	1,089	1,000
Additions	-	1,013
Disposals	(1,014)	-
Revaluation increments/(decrements)	37	(924)
Closing fair value	112	1,089

Refer to note 25 for further information on financial instruments.

11. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2013 %	Percentage owned 2012 %
Subsidiaries of Ironbark Zinc Limited:			
Bedford (No 3) Ltd	British Virgin Islands	100	100
Ironbark Zinc Pty Ltd	Australia	100	100
Doctor Evil Pty Ltd	Australia	100	100

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

12. PLANT & EQUIPMENT

	2013 $000	2012 $000
Plant and equipment:		
At cost	123	123
Accumulated depreciation	(79)	(67)
Total plant and equipment	44	56

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment $000
Consolidated Group:	
Balance at 1 July 2011	63
Additions	8
Depreciation expense	(15)
Balance at 30 June 2012	56
Additions	-
Depreciation expense	(12)
Balance at 30 June 2013	44

13. OTHER ASSETS

	2013 $000	2012 $000
<u>Current</u>		
Accrued interest	-	40
Prepayments	21	27
<u>Non-current</u>		
Rental bond	9	9
Environmenal bond	60	53
Term deposit for credit card	94	93
	184	222
Analysis of other asset		
Current	21	67
Non current	163	155
	184	222

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

14. EXPLORATION AND EVALUATION EXPENDITURE

	2013 $000	2012 $000
Exploration expenditure capitalised		
- exploration and evaluation phases	90,699	89,268
Accumulated depreciation	-	-
Total exploration expenditure	90,699	89,268
Movement in carrying value:		
Brought forward	89,268	137,646
Exploration expenditure capitalised during the year	1,608	5,565
Impairment on exploration expenditure	(177)	(53,943)
At reporting date	90,699	89,268

The value of the exploration expenditure is dependent upon:

– The continuance of the rights to tenure of the areas of interest;

– The results of future exploration; and

– The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

During the 2013 year, the Company assessed its exploration assets on a project by project basis and impaired the value of its exploration expenditure to fair value when the facts and circumstances including the economic conditions were such that it considered it prudent and conservative to do so. The basis adopted for valuation was a fair value less selling costs resulting in a total impairment expense of $177,000 being recognized within “exploration expenditure written off” in the statement of profit or loss and other comprehensive income. During the 2013 year, the Company assessed the carrying value of its exploration expenditure on the Citronen project based on facts and circumstances and in particular the completion of the feasibility study which provided a valuation of the project at greater than the current recorded book value of the asset. Refer to note 1a(v) for further details of the key assumptions and estimates used in the valuation.

15. TRADE AND OTHER PAYABLES

	2013 $000	2012 $000
Trade payables	2	71
Sundry payables and accrued expenses (a)	389	84
	391	155

a) An aggregate amount of $270,000 has been included in this account relating to the legal settlement between the Company and Bedford Resources Holding Ltd (“Bedford Resources”). The Company agreed to issue 4,000,000 fully paid ordinary shares to Bedford Resources at a share price of $0.055 per share (shares were issued on the 26 July 2013 total value being $220,000) and also made a further payment to Bedford Resources for $50,000, for a total settlement of $270,000.

Refer to note 25 Financial Instruments for further details.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

16. PROVISIONS

	2013 $000	2012 $000
Analysis of total provisions		
Current	86	82
Non current	107	-
	193	82

	Employee benefits $000
Opening balance at 1 July 2012	82
Additional provisions	111
Balance at 30 June 2013	193

17. ISSUED CAPITAL

	2013 $000	2012 $0000
368,392,667 (2012: 368,392,667) fully paid ordinary shares	110,422	110,422
Less: capital raising costs	(2,742)	(2,742)
	107,680	107,680

a. Ordinary shares

	2013 No.	2012 No.
At the beginning of reporting period	368,392,667	368,392,667
Shares issued during the year	-	-
At reporting date	368,392,667	368,392,667

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

On 26 November 2012, the Company issued 1,000,000 options to Gary Comb as part of his remuneration package. The options have an exercise price of $0.10 and an expiry date of 18 December 2016.

Apart from the above, there were no other option issues to key management personnel during the financial year. For information relating to share options issued to key management personnel during the current and comparative financial year, refer to Note 22 Share-based Payments.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

c. Capital Management

The Directors' primary objective is to maintain a capital structure that ensures the lowest cost of capital to the Company. At reporting date the Company has no external borrowings. Other than the placement noted in subsequent events, the Directors have no current plans to raise capital through the issue of additional shares in the Company. The Company is not subject to any externally imposed capital requirements.

18. RESERVES

a. Asset revaluation reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

b. Option reserve

The option reserve records items recognised as expenses on valuation of employee share and consultants options.

19. CAPITAL COMMITMENTS

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments and overseas government bodies. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Group's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report.

	2013 $000	2012 $000
Capital expenditure commitments contracted for:		
Exploration and evaluation expenditure payable not later than 12 months	179	1,063

20. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Greenland. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

The Group has two reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia and Greenland. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

		Australia	Greenland	Total
		$000	**$000**	**$000**
(i)	**Segment performance**			
	For the year ended 30 June 2013			
	Revenue			
	Interest revenue	147	-	147
	Cost recoveries	223	-	223
	Other revenue	15	-	15
	Total segment revenue	385	-	385
	Reconciliation of segment result to group net profit/(loss) before tax			
	Amounts not included in segment result but reviewed by the Board:			
	Depreciation expenses	12	-	12
	Exploration expenditure written off	171	6	177
	Unallocated items:			
	Other expenses			1,892
	Net loss before tax			2,081
(ii)	**Segment assets**			
	As at 30 June 2013			
	Segment assets at 1 July 2012	2,344	86,980	89,324
	Segment asset increase for the period:			
	Exploration expenditure	139	1,292	1,431
	Plant and equipment	(12)	-	(12)
		2,471	88,272	90,743
	Reconciliation of segment assets to group assets			
	Unallocated assets:			
	Financial assets			2,234
	Other assets			293
	Total group assets			93,270
(iii)	**Segment liabilities**			
	As at 30 June 2013			
	Reconciliation of segment liabilities to group liabilities			
	Other liabilities	570	14	584
	Total group liabilities	570	14	584

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

		Australia	Greenland	Total
		$000	$000	$000
(i)	**Segment performance**			
	For the year ended 30 June 2012			
	Revenue			
	Interest revenue	350	-	350
	Cost recoveries	335	-	335
	Total segment revenue	685	-	685
	Reconciliation of segment result to group net profit/(loss) before tax			
	Amounts not included in segment result but reviewed by the Board:			
	- Depreciation expenses	(15)	-	(15)
	- Exploration expenditure written off	(2)	(53,941)	(53,943)
	Unallocated items:			
	- Other expenses			(4,227)
	Net loss before tax			(57,500)
(ii)	**Segment assets**			
	As at 30 June 2012			
	Segment assets at 1 July 2011	1,630	136,079	137,709
	Segment asset increase for the period:			
	Exploration expenditure	721	(49,099)	(48,378)
	Plant and equipment	(7)	-	(7)
		2,344	86,980	89,324
	Reconciliation of segment assets to group assets			
	Unallocated assets:			
	Financial assets			1,089
	Other assets			4,555
	Total group assets			94,967
(iii)	**Segment liabilities**			
	As at 30 June 2012			
	Reconciliation of segment liabilities to group liabilities			
	- Other liabilities	230	7	237
	Total group liabilities			237

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

21. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

	2013 $000	2012 $000
Net loss for the year	(2,081)	(57,419)
Non cash flows in loss		
Depreciation	12	15
Net loss/(gain) on disposal of investments	100	-
Write off exploration expenditure	177	53,943
Loss on foreign exchange	-	56
Share options expensed	37	716
Fair value movement available-for-sale financial assets	(37)	475
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	114	259
(Increase)/decrease in prepayments	5	10
Increase/(decrease) in trade payables and accruals	268	(119)
Increase/(decrease) in provisions	111	(18)
Cash flow from operations	(1,294)	(2,082)

22. SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2013:

All options granted to key management personnel are ordinary shares in Ironbark, which confer a right of one ordinary share for every option held.

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Issue to Directors	**No 000**	**$**	**No 000**	**$**
Outstanding at the beginning of the year	7,700	0.47	7,700	0.47
Granted	1,000	0.10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(700)	0.66	-	-
Outstanding at year end	8,000	0.41	7,700	0.47
Exercisable at year end	8,000	0.41	7,700	0.47

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Issue to staff	No 000	$	No 000	$
Outstanding at the beginning of the year	3,050	0.43	3,050	0.43
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired		-	-	-
Outstanding at year end	3,050	0.43	3,050	0.43
Exercisable at year end	3,050	0.43	3,050	0.43
Issue to consultants				
Outstanding at the beginning of the year	5,000	0.30	-	-
Granted	-	-	5,000	0.30
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	5,000	0.30	5,000	0.30
Exercisable at year end	5,000	0.30	5,000	0.30

The options outstanding at 30 June 2013 had a weighted average exercise price of $0.38 and a weighted average remaining contractual life of 1.9 years.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Series	Number Granted No. 000	Number Vested No. 000	Grant Date	Expiry Date	Exercise Price $	Fair Value at Grant Date $
(i) Staff	3,050	3,050	17/11/2010	16/11/2013	0.45	0.123
(ii) Directors	7,000	7,000	17/11/2010	16/11/2013	0.45	0.123
(iii) Staff	500	500	17/11/2010	16/11/2013	0.35	0.139
(iv) Consultants	5,000	5,000	24/01/2012	31/12/2017	0.30	0.143
(v) Staff	500	500	24/01/2012	20/01/2015	0.45	-
(vi) Directors	1,000	1,000	26/11/2012	18/12/2016	0.10	0.0367
	16,050	16,050				

Details of factors used in the Black Scholes option valuation calculation for the options granted:

Inputs into the Model	Series (i)	Series (ii)	Series (iii)	Series (iv)	Series (vi)
Grant date share price	$0.27	$0.27	$0.27	$0.24	$0.07
Exercise price	$0.45	$0.45	$0.35	$0.30	$0.10
Expected volatility	85%	85%	85%	69%	80%
Option life	3 years	3 years	3 years	5 years	4 years
Risk-free interest rate	5.13%	5.13%	5.13%	3.57%	2.86%

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

23. RELATED PARTY DISCLOSURES

i. Details relating to key management personnel, including remuneration paid and equity holdings are included in note 5.
ii. No amounts in addition to those disclosed in the Remuneration Report in the Directors' Report were paid or payable to Directors of the Company at the end of the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Ironbark charged Corazon Mining Limited and Waratah Resources Limited for shared office and salary expenses. The total charged for the financial year ended 30 June 2013 was $223,039. At reporting date Waratah Resources Limited outstanding receivables amounted to $38,147.

24. EVENTS AFTER THE REPORTING DATE

On 26 July 2013 the Company settled without admission of liability the legal proceeding between Bedford Resources Holdings Ltd ("Bedford Resources") and the Company in relation to a request by Bedford Resources that a nominated person be appointed as a non executive director of the Company. Bedford Resources has agreed that the nomination right has been removed and no further right to appoint a director exists and that both parties bear their own legal costs. The Company has agreed to issue 4,000,000 fully paid ordinary shares (valued at $0.055 per share totalling $220,000) and make a payment of $50,000 to Bedford Resources.

On 18 September 2013 the Company announced that it had resolved to raise approximately $2.2 million via a placement of company securities (36.7 million shares at 6 cents per share), in order to continue progress on its Citronen Zinc Project and fund further exploration activities on its Greenland and Australian base metal projects.

No further matters or circumstances other than matters referenced in note 15 have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

25. FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The currencies in which these transactions primarily are denominated are AUD, DKK, and CAD.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

Price risk

i Commodity price risk

The Group is not directly exposed to commodity price risk. However, the Company has recently completed a feasibility study. There is a risk that the changes in prevailing market conditions and commodity prices could affect the viability of the project.

Ii Equity price risk

Equity price risk arises from available-for-sale equity securities held. Material investments are managed on an individual basis and all buy and sell decisions are approved by the board.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

The Group holds the following financial instruments:

	2013 $000	2012 $000
Financial assets:		
Cash and cash equivalents	2,122	4,162
Receivables	109	170
Other assets	184	222
Investments	112	1,089
Total financial assets	2,527	5,643
Financial liabilities:		
Trade and sundry payables	391	155
Total financial liabilities	391	155
	2,136	5,488
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	391	155

iii. Fair value of financial instruments

The following tables detail the Group's fair values of financial instruments categorized by the following level:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

– Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

– Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs)

2013

Assets	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Ordinary shares	112	-	-	112
Total assets	112	-	-	112

2012

Assets	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Ordinary shares	1,089	-	-	1,089
Total assets	1,089	-	-	1,089

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payable are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

iv. Sensitivity analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2013 $000	2012 $000
Change in profit		
Increase in interest rate by 1% (100 basis points)	22	43
Decrease in interest rate by 1% (100 basis points)	(22)	(43)
Change in equity		
Increase in interest rate by 1% (100 basis points)	22	43
Decrease in interest rate by 1% (100 basis points)	(22)	(43)

Foreign Currency Risk Sensitivity Analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the Danish Kroner (DKK) with all other variables remaining constant is as follows:

	2013 $000	2012 $000
Change in profit		
Improvement in AUD to DKK by 10%	-	-
Decline in AUD to DKK by 10%	-	-
Change in equity		
Improvement in AUD to DKK by 10%	(5)	(5)
Decline in AUD to DKK by 10%	7	6

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

Price Risk Sensitivity Analysis

The majority of the Group's investments are publicly traded and are included in the ASX. The table below summarises the impact of increases/decreases of this index on the Group's post tax profit for the year and on equity. The analysis is based on the assumption that equity indexes had increased/decreased by 10% (2012: 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	2013 $000	2012 $000
Change in profit		
Increase in All Ordinaries Index by 10%	11	109
Decrease in All Ordinaries Index by 10%	(11)	(109)
Change in equity		
Increase in All Ordinaries Index 10%	11	109
Decrease in All Ordinaries Index by 10%	(11)	(109)

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2013	2012	2013	2012	2013	2012
FINANCIAL ASSETS	%	%	$000	$000	$000	$000
Cash at bank & on hand	2.71%	5.5%	2,096	4,162	26	-
Receivables	-	-	-	-	109	170
Investments	-	-	-	-	112	1,089
Other assets	2.11%	5.5%	154	145	30	77
Total financial assets			2,250	4,307	277	1,336
FINANCIAL LIABILITIES						
Payables	0.28%	-	9	-	382	155
Total financial liabilities			9	-	382	155

The above interest rate, foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

26. COMMITMENTS FOR EXPENDITURE

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2013 $000	2012 $000
Within a year	56	98
Later than one year but not later than five years	-	-
Later than five year	-	-
Commitments not recognized in the financial statements	56	98

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (cont)

The current lease on the premises at 350 Hay Street, Subiaco WA is for the period of 1 year commencing on 1 January 2013 and expiring on 31 December 2013. On renewal, the terms of the lease are renegotiated.

27. PARENT ENTITY DISCLOSURES

Financial position	**2013 $000**	**2012 $000**
Assets		
Current assets	2,252	5,275
Non-current assets	91,018	89,769
Total assets	93, 270	95,044
Liabilities		
Current liabilities	477	237
Non-current liabilities	107	-
Total liabilities	584	237
Net assets	92,686	94,807
Equity		
Issued capital	107,680	107,680
Equity settled benefits	1,936	2,106
Investment reserves	-	-
Accumulated losses	(16,930)	(14,979)
Total equity	92,686	94,807

Financial performance

Loss for the year	(2, 157)	(57,356)
Other comprehensive income/(loss)	-	(315)
Total comprehensive loss	(2,157)	(57,671)

28. DIVIDENDS

The Board of Directors have recommended that no dividend be paid.

29. CONTINGENT ASSETS AND LIABILITIES

The Company is unaware of any contingent assets or liabilities that may have a material impact on the Company's financial position.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (cont)

30. CONVERTIBLE NOTE FUNDING FACILITY

During the 2012 financial year, the Company entered into a US$50 million Convertible Note funding facility and offtake facility pursuant to a transaction with a wholly owned subsidiary of Glencore International AG ('Glencore'). The Convertible Note is at a conversion price of AUD$0.42 for the first US$30 million (at Ironbark or Glencore's election to convert) and AUD$0.50 for the next US$20 million (at Glencore's election to convert). The funding of the facility is subject to the completion of certain conditions. As at 30 June 2013, the Company has not fulfilled all the conditions of the agreement and has not issued the Convertible Note.

31. COMPANY DETAILS

The registered office and principal place of business is:

Ironbark Zinc Limited
Suite 5, Level 1
350 Hay Street
SUBIACO WA 6008

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

The financial statements, notes and additional disclosures included in the Directors' report and designated as audited, are in accordance with the *Corporations Act 2001* and:

a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Consolidated Entity and Company;

c) the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statement.

The Chief Executive Officer and Chief Financial Officer have each declared that:

a) the financial records of the Company for the financial year have been properly maintained in accordance with section 295A of the *Corporations Act 2001*;

b) the financial statements and notes for the financial year comply with the Australian Accounting Standards and Interpretations; and

c) the financial statements and notes for the financial year give a true and fair view;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Jonathan Downes
Managing Director

Dated this day 24 September 2013

PKF MACK & CO

Chartered Accountants & Business Advisers

INDEPENDENT AUDIT REPORT
TO MEMBERS OF IRONBARK ZINC LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Ironbark Zinc Ltd, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Ironbark Zinc Ltd (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Opinion
In our opinion:

(a) the financial report of Ironbark Zinc Ltd is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 18 to 20 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion
In our opinion, the Remuneration Report of Ironbark Zinc Ltd for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

PKF Mack & Co.

PKF MACK & CO

SHANE CROSS
PARTNER

24 SEPTEMBER 2013
WEST PERTH,
WESTERN AUSTRALIA

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Ordinary share capital

372,392,667 fully paid shares are held by 1,149 individual shareholders as at 9 September2013.
There were no shareholdings held in less than marketable parcels.
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

16,050,000 options are held by 16 individual option holders.
Options do not carrying a right to vote.

Distribution of holders of equity securities

Category (size of holding)	Number: Fully paid ordinary shares	Number: Options
1 – 1,000	109	-
1,001 – 5,000	188	-
5,001 – 10,000	148	-
10,001 – 100,000	477	4
100,001 – and over	227	12
	1149	16

Substantial shareholders

Substantial shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
NYRSTAR INTNL BV	97,690,702	26.23%
SINGPAC INV HLDG PTE LTD	29,610,593	7.95%
NATIONAL NOM LTD	20,308,298	5.45%

20 Largest shareholders — ordinary shares

A record of the 20 largest shareholders as at 9 September 2013 is as follows:-

	Ordinary shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	NYRSTAR INTNL BV	97,690,702	26.23%
2	SINGPAC INV HLDG PTE LTD	29,610,593	7.95%
3	NATIONAL NOM LTD	20,308,298	5.45%
4	J P MORGAN NOM AUST LTD	16,925,375	4.55%
5	SINGPAC INV HLDG PTE LTD	12,500,000	3.36%
6	BEDFORD RES HLDGS LTD	11,475,560	3.08%
7	VALIANT EQUITY MGNT PL	9,517,500	2.56%
8	CITICORP NOM PL	9,428,879	2.53%
9	HSBC CUSTODY NOM AUST LTD	9,249,853	2.48%
10	UBS WEALTH MGNT AUST NOM	7,329,153	1.97%
11	HSBC CUSTODY NOM AUST LTD	6,929,289	1.86%
12	SUGAR EDDIE	4,800,000	1.29%
13	KANGATHARAN RAM SHANKER	4,080,000	1.10%
14	BEDFORD RES HLDGS LTD	4,000,000	1.07%
15	KALE CAP CORP LTD	3,735,000	1.00%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

20 Largest shareholders — ordinary shares

A record of the 20 largest shareholders as at 9 September 2013 is as follows:-

Ordinary shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
16 DOWNES JONATHAN CHARLES	3,036,296	0.82%
17 LUJETA PL	3,000,000	0.81%
18 JP MORGAN NOM AUST LTD	2,867,596	0.77%
19 SINCERE LIBERTY FINANCE	2,800,000	0.75%
20 J & K DOWNES S/F	2,758,704	0.74%
	262,042,798	70.37%

Unquoted equity security holdings greater than 20%

	Number of Options Held	% Held of Options in an unquoted class
Option exercised at $0.10, expire at 18/12/2016		
1. G Comb	1,000,000	100%
Option exercised at $0.45, expire at 16/11/2013		
1. J Downes	2,000,000	22.1%
2. G Campbell	2,000,000	22.1%
Option exercised at $0.35, expire at 16/11/2013		
1. R Orr	500,000	100%
Option exercised at $0.30, expire at 31/12/2017	5,000,000	100%
1. BW Equities Pty Ltd		

Company Secretary
Mr Robert Orr

Principal registered office
Level 1, 350 Hay Street,
SUBIACO WA 6008.
Telephone +61 (0) 8 6461 6350

Share Registry
Security Transfer Registrars
770 Canning Highway,
APPLECROSS, WA 6153.
Telephone +61 (0) 8 9315 2333

SCHEDULE OF INTERESTS IN MINING TENEMENTS

	Project	Location of tenements	% of interest
1.	Belara	New South Wales	100%
2.	Captains Flat (In Joint Venture with Glencore)	New South Wales	25.5%
3.	Fiery Creek	New South Wales	100%
4.	Citronen	Greenland	100%
5.	Mestersvig	Greenland	100%
6.	Washington Land	Greenland	100%

CORPORATE GOVERNANCE

Ironbark Zinc Limited and its controlled entities ("the Consolidated Entity") are committed to high standards of corporate governance. Policies and procedures which follow the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Security Exchange ("ASX") Corporate Governance Council, to the extent they are applicable to the Consolidated Entity, have been adopted.

Principle 1 : Lay solid foundations for management and oversight		**Comply**
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes

The role of the Board is formally set out in the Board Charter. This charter summarizes the role and responsibility of the board of the Company. The disclosure of the role and responsibility of the board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the board and management of the Company.

The roles and responsibilities of the board will evolve as the Company moves forward. As such, a regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.

The key responsibilities of the board include:

- *Appointing, evaluating, rewarding and if necessary, the removal of the Managing Director and senior management;*
- *Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;*
- *Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;*
- *Overseeing the management of business risks, safety and occupational health, environmental issues and community development;*
- *Satisfying itself that the financial statements fairly and accurately set out the financial position and financial performance of the Company for the period under review;*
- *Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;*
- *Assuring itself that appropriate audit arrangements are in place, when considered appropriate by the board;*
- *Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that it's practice is consistent with, a number of guidelines, being:*
  - *Directors and Executive Officers Code of Conduct;*
  - *Dealings in Company Securities; and*
  - *Reporting and Dealing with Unethical Practices*
- *Reporting to and advising shareholders.*

1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes

The process and outcomes of the evaluation is disclosed in the Remuneration Report contained in the Directors' report. The Remuneration Committee Charter also discloses additional information in respect to evaluation the performance of senior executives.

CORPORATE GOVERNANCE (Cont.)

Principle 2 : Structure the board to add value		**Comply**
2.1	A majority of the board should be independent directors.	No

The Consolidated Entity has not complied with this recommendation. The following Directors are not considered to be independent:

- *Jonathan Downes – Executive Managing Director*
- *Adrian Byass - Executive Technical Director*
- *Gregory Campbell - Executive Engineering Director*
- *David Kelly – Non Executive Director*
- *Chris James – Non Executive Director*

The independent directors are:

- *Peter Bennetto – Non Executive Chairman*
- *John McConnell – Non Executive Director*
- *Gary Comb – Non Executive Director*

The Board considers that the interests of the Group are best served by appointing directors with the relevant skills and expertise to enhance the Group's performance. The Board believes each director bring an independent, objective judgment to the deliberations of the Board.

2.2 The Chair should be an independent director. — Yes

The Consolidated Entity complies with this recommendation. Mr. Peter Bennetto, an independent director, is the Chair.

2.3 The roles of Chair and Chief Executive Officer should not be exercised by the same individual. — Yes

The Consolidated Entity complies with this recommendation. Mr. Jonathan Downes is the Chief Executive Officer.

2.4 The Board should establish a nomination committee. — No

The Consolidated Entity does not have a nomination committee. The Board believes that due to the Group's relatively small size, a nomination committee is not necessary as the board can undertaken all functions normally delegated to a nomination committee. The Corporate Governance Board Charter contains procedures for the appointment and resignation of Directors.

2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors. — Yes

The Corporate Governance Board Charter contains the details of the procedures for the performance reviews and evaluation.

Principle 3 : Promote ethical and responsible decision-making

3.1 Companies should establish a code of conduct and disclose the code or a summary of the code. — Yes

A formal Directors and Executive Officers' code of conduct forms part of the Corporate Governance Charter.

3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. — No

The Company does not have a formal policy concerning diversity. Given the small size of the Company workforce, the Board has determined that it is not currently practicable to implement a policy concerning diversity. The Board will further consider the establishment of a diversity policy as the Company grows.

CORPORATE GOVERNANCE (Cont.)

Principle 3 : Promote ethical and responsible decision-making (Cont.)		**Comply**
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	N/A
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board. *The Company currently has 33% female employees in the Company and has 1 female in a senior geological position. The Company currently has no female on the Board.*	Yes
3.5	Companies should provide an explanation of any departures from Recommendations 3.1 to 3.5 in the corporate governance statement in the annual report. *Refer comments on 3.2.*	Yes

Principle 4 : Safeguard integrity in financial reporting		**Comply**
4.1	The Board should establish an audit committee. *The Consolidated Entity has established an Audit Committee.*	Yes
4.2	The audit committee should be structured so that it: • Consists only of Non Executive Directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not chair of the board • Has at least three members *The Consolidated Entity has not complied with this recommendation. The following Directors are not considered to be independent:* • *Jonathan Downes – Executive Managing Director* • *David Kelly - Non Executive Director* *The independent directors are:* • *Peter Bennetto – Non Executive Chairman* *The Committee considers that the interests of the Group are best served by appointing directors with the relevant skills and expertise to enhance the Group's performance. The Committee believes each director bring an independent, objective judgment to the deliberations of the Committee.*	No
4.3	The audit committee should have a formal charter. *The Consolidated Entity has a formal charter for the audit Committee.*	Yes

CORPORATE GOVERNANCE (Cont.)

Principal 5 : Make timely and balanced disclosure		
5.1	Companies should promote timely and balanced disclosure of all material matters concerning the company. *The Board has adopted a Disclosure Policy, which sets out the key obligation of the Managing Director and Company Secretary to ensure that the Consolidated Entity complies with its disclosure obligations under the ASX Listing Rules and The Corporations Act 2001 (Cth).*	Yes
Principal 6 : Respect the rights of shareholders		**Comply**
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy. *The Board has adopted a Communication Strategy. The directors of the Company recognise the importance of forthright communication. The Consolidated Entity posts all the report, ASX announcements, media release, business presentation and Group information on the Group's website.*	Yes
Principal 7 : Recognize and manage risk		**Comply**
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. *The Board has adopted a Risk Management and internal Control Policy. Procedures have been established at the board and executive management levels which are designed to safeguard the assets and interests of the Consolidated Entity, and to ensure the integrity of reporting.*	Yes
7.2	The board should require management to design implement the risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks. *The Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. Management is required to report on material business risks at each Board of Director's meeting.*	Yes
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. *The Chief Executive Officer and Chief Financial Officer have provided the written statements required by 7.3.*	Yes

CORPORATE GOVERNANCE (Cont.)

Principal 8 : Remunerate fairly and responsibly		**Comply**
8.1	The Board should establish a remuneration committee. *The Consolidated Entity has established a Remuneration Committee. The Remuneration Committee has a formal charter.*	Yes
8.2	The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent chair • Has at least three members *The Consolidated Entity has not complied with this recommendation. The following Directors are not considered to be independent:* • *Jonathan Downes – Executive Managing Director* • *David Kelly - Non Executive Director* *The independent directors are:* • *Peter Bennetto – Non Executive Chairman* *The Committee considers that the interests of the Group are best served by appointing directors with the relevant skills and expertise to enhance the Group's performance. The Committee believes each director bring an independent, objective judgment to the deliberations of the Committee.*	No
8.3	Companies should clearly distinguish the structure of non executive directors' remuneration from that of executive directors and senior executives. *The Remuneration Report, contained in the Directors' Report sets out the remuneration of non executive directors, the executive director and senior executives.*	Yes