

Quarterly Activities Report - Period Ending 30 June 2014

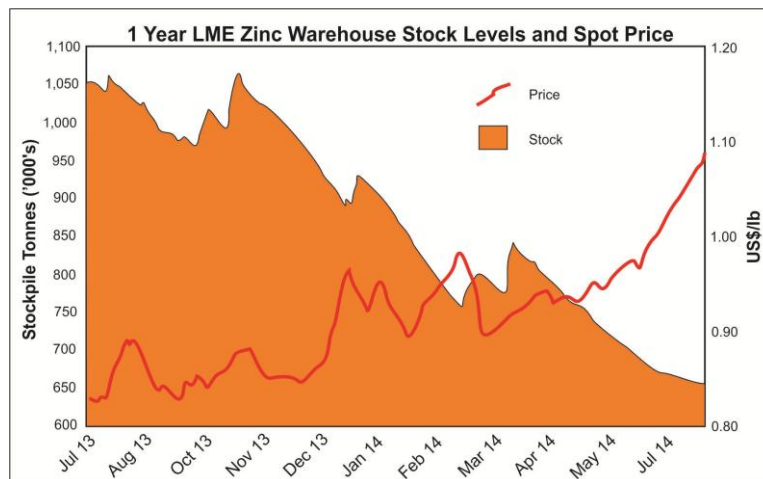
HIGHLIGHTS

- Progress continued towards granting of Mining Licence for the world class Citronen Zinc Project in Greenland
- New Memorandum of Understanding (MoU) entered into with China Nonferrous to advance the Citronen EPC/ financing arrangements
- Social Impact Assessment (SIA) lodged with Greenland Government
- Impending Lodgement of the Exploitation Licence Application
- Clear breakout in the zinc price driven by irrevocable supply constraints

Managing Director's Report

Ironbark Zinc Limited (ASX: IBG) ("Ironbark" or "the Company") is pleased to report on its activities for the period ending 30 June 2014 as it advances towards bringing the world class Citronen Base Metal Project ("Citronen") into development.

At the time of writing, the Company is pleased to note that a strong uplift in the zinc price has directed the media's focus onto the looming supply constraints facing the zinc industry. Ironbark considers the circumstances causing the supply constraints are unique to the zinc industry and that the decades of under investment in the fourth most used metal will continue to support the zinc price and our vision to build a major zinc mine.



London Metal Exchange zinc stock levels vs zinc price, July 2013 – July 2014

While a great deal of work is required to take the Citronen project through to financed production, the Company is excited by the prospects facing Citronen and we are proud to own one of the world's largest credible zinc development projects at an advanced post-feasibility stage.

Throughout the quarter, Ironbark significantly progressed the Exploitation Licence (Mining Licence) documentation required for Citronen, entered into a new non-binding Memorandum of Understanding with China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd. (NFC) and lodged the requisite Social Impact Assessment with the Greenland government.

The relevant sections of the Mining Licence documentation are currently being translated into Danish and Inuit, in compliance with Greenland government requirements. The documentation has taken considerably longer to complete than expected as Ironbark has been working through input provided by the relevant Greenland bodies. The final lodgement of the documentation will then comprise a formal Mining Licence application.

The Ironbark team has focused its attention throughout the June quarter on exploring opportunities for optimised shipping concepts, routes and marshalling areas for the Citronen project, working with NFC, Grontmij, Fednav and the relevant government bodies.

Ironbark has remained well funded and concentrated on its key goal of delivering shareholder value through building a globally significant base metals mining house. Cost reduction measures continue to be implemented across all levels of the business, ensuring Ironbark is in the optimum position to reap the benefits of the forecast improvement of the global zinc market.

Ironbark has also continued to explore business development opportunities available through its US\$50M Glencore mergers and acquisition funding facility and is currently reviewing several promising opportunities.

Ironbark enters into new Memorandum of Understanding with China Non-Ferrous

During the June quarter, Ironbark was pleased to advise it had entered into a new non-binding Memorandum of Understanding ("MoU") with NFC. The new MoU recognises Ironbark's completion of Citronen's Feasibility Study and heralds a closer relationship between NFC and Ironbark, as well as greater clarity on the future development of Citronen.

The new MoU is an agreement directly between Ironbark and NFC and does not require an intermediary, unlike the former MoU. This represents a significant strengthening in the relationship between Ironbark and NFC.

The MoU is defined based on Ironbark's completion of the Feasibility Study, which was followed by due diligence and site visits by senior NFC personnel. This MoU replaces the previous MoU which was not based on a Feasibility Study or due diligence being conducted.

NFC is one of China's leading construction and engineering groups and builds, owns and operates base metal mines, processing plants and smelters around the world. NFC undertakes international contracted engineering, equipment and labour services and is rated globally as a high-quality engineering house.

Ironbark's Managing Director Jonathan Downes commented on the new MoU, "We are delighted that a group with the expertise and scale of NFC has provided its support and cemented its relationship with Ironbark. The new MoU shows not only support of the Citronen project but comfort with Greenland as a development destination. The zinc market has been challenging, however, recent signs of a recovery should provide an excellent platform to support the development of Citronen."

Under the new MoU, the framework is established to conduct the following activities:

- NFC to engineer, design, procure, supply, construct, test and commission Citronen on a full turnkey basis;
- NFC to facilitate financing from banks in China to cover 70% of the project costs;
- NFC to have an option to purchase 19.9% of Citronen at a project level;
- NFC to have a right to enter into an off-take agreement for a portion of the concentrate products from Citronen;
- NFC to provide a performance bank guarantee in favour of Ironbark to be released subject to plant performance tests to the satisfaction of Ironbark.

Meetings have taken place between NFC and Greenland's Minister for Mines and department representatives, with a subsequent meeting held between NFC and Ironbark's key infrastructure engineering firm, MT Hojgaard, to collaborate on the development of Citronen. NFC also recently announced it signed a MoU with Greenland Minerals and Energy Limited to form a fully integrated global rare earth supply chain.

Ironbark lodges the Social Impact Assessment for the Citronen Zinc Project with the Greenland Government

In June, Ironbark was pleased to report it had submitted its Social Impact Assessment ("SIA") for the Citronen Base Metal Project to the Greenland Government for comment. The report was prepared by Ironbark with the assistance of Grontmij, a leading European consulting and engineering industry company.

The overall objective of the SIA is to identify and analyse the potential socio-economic impacts of the proposed mining activity and to recommend initiatives, realise sustainable development opportunities as well as to mitigate any negative impacts. The SIA is based on engagement with relevant stakeholders and current Greenland social baseline information.

The main objectives of the SIA process for a mineral project in Greenland are (Bureau of Minerals and Petroleum, 2009):

- To engage all relevant stakeholders in consultations and public hearings;
- To provide a detailed description and analysis of the social pre-project baseline situation as a basis for development, mitigation and future monitoring;
- To provide an assessment based on collected baseline data to identify both positive and negative social impacts at both local and national level;
- To optimize positive impacts and mitigate negative impacts from the mining activities throughout the project lifetime; and
- To develop a Benefit and Impact Plan (BIP) for implementation of the Impact Benefit Agreement (IBA).

The SIA is one of the key documents required for the Application for Exploitation Licence (Mining Licence), and has been the focus of significant work. Comments on the SIA by the Greenlandic Government have been received by the Company and are being addressed. Ironbark is grateful for the extensive help and co-operation provided by the Government of Greenland and Ironbark's team and contractors, primarily Grontmij AS, who assisted in the extensive consultation, meetings and presentation processes with Government Departments, Greenland business, NGO's and other various stakeholders within Greenland.

The Citronen base metal project is recognised to be a project of strategic importance in the "Oil and Mineral Strategy for 2014 to 2018" document where the development of the Citronen base metal project is expected to deliver strong employment and revenues to Greenland. This document is available on the Greenland Government's website.

Ironbark is in final discussions with the Greenlandic Government on minor aspects of the Environmental Impact Assessment (EIA), following which the documents will be translated into Greenlandic and Danish as the final step prior to formal lodgement of the application for an Exploitation Licence (Mining Licence).

Cash at 30 June 2014

Cash available to the Company at the end of the June 2014 quarter was approximately \$2.2 million with no debt.

End.

For further information please visit Ironbark's website www.ironbark.gl or contact us:

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Schedule of Tenements (as required by ASX Listing Rule 5.3.3)

IRONBARK ZINC LIMITED CONSOLIDATED BASIS SCHEDULE OF INTERESTS IN MINING TENEMENTS				
Project	Mining tenements held	Location of tenements	Beneficial % interest at end of the quarter	Change in the quarter
Belara	EL6576	New South Wales	100%	
Captains Flat (In Joint Venture with Glencore)	EL6381	New South Wales	37.5%	
Fiery Creek	EL6925 EL8107	New South Wales	100%	
Citronen	EL2007/02 EL2007/31 EL2011/33 EL2010/47	Greenland	100%	
Mestersvig	EL2011/28 EL2007/32	Greenland	100%	
Washington Land	EL2007/33 EL2011/32	Greenland	100%	

About Ironbark

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. Ironbark has an undrawn US\$50M funding facility provided by Glencore International AG to expand its project base through acquisition.

Ironbark seeks to build shareholder value through exploration and development of its projects and also seeks to actively expand the project base controlled by Ironbark. The management and board of Ironbark have extensive technical and corporate experience in the minerals sector.

The wholly owned Citronen base metal project currently hosts in excess of 13.1 Billion pounds of zinc (Zn) and lead (Pb).

China Nonferrous Metal Mining (Group) Co. Ltd is currently undertaking engineering work on the Citronen project. The studies are based on an Ordinary Kriging methodology estimated mineral inventory of:

JORC Compliant				
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

within a larger resource of:

JORC Compliant				
Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	43.1	4.2	0.5	4.7
Indicated	51.2	4.2	0.4	4.7
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

“Ironbark is an emerging leader amongst Australia’s mineral resource companies and is dedicated to delivering shareholder value through the development of its major base metal mining operation in Greenland – the world class Citronen Project, and the acquisition of quality base metals projects.”

Disclosure Statements and Important Information

Forward Looking Statements

This announcement contains certain statements that may constitute “forward looking statement”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

JORC Code Compliance Statement

Some of the information contained in this announcement is historic data that have not been updated to comply with the 2012 JORC Code. The information referred to in the announcement was prepared and first disclosed under the JORC 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

Competent Persons Statement

The information included 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 appears and that the historical information was compliant with the relevant JORC Code, 2004 Edition.

Competent Persons Disclosure

Mr A Byass is an employee of Ironbark Zinc Limited and currently holds securities in the company.