

The Manager - Company's Announcements  
Australian Securities Exchange

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2016

### HIGHLIGHTS

- **Focus on Mining Licence approvals**
    1. **Public Consultation completed**
    2. **First Draft of White Paper completed and lodged**
    3. **First Draft of Impact Benefit Agreement under negotiation**
  - **Small Fund Raising Completed**
    - **\$1.5M placement to Institutional and Sophisticated investors**
    - **\$0.5M Share Purchase Plan (SPP) to existing shareholders**
  - **Further Cost cutting initiatives**
  - **Zinc Stockpiles at 5 year lows**
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Ironbark Zinc Limited (ASX: IBG) ("Ironbark" or "the Company") hereby reports on its activities for the period ending 31 March 2016 in which the Company remained focused on the advancement of the Citronen Base Metals Project ("Citronen") in Greenland.

#### **Approvals Process**

During the quarter, Ironbark made excellent progress on completing the Public Consultation process across numerous community centres in Greenland for the Citronen Base Metal Project. The final round of Public presentations was made in January and Ironbark compiled the meeting correspondence and responses into a White Book. The first draft of the White Book has been submitted to the Greenland Government. In addition Ironbark has just concluded two meetings negotiating on the draft of the Impact Benefit Agreement (IBA), with this process ongoing. These two documents are the final steps required before Ironbark can be awarded an Exploitation Permit (Mining Licence). Greenland's authorities have demonstrated support for the development of Citronen with the relevant Ministers attending and discussing the project with the stakeholders.

#### **Fund Raising and Cost Cutting**

Ironbark completed a fund raising of approximately \$2 million subsequent to the quarter which was well oversubscribed. The fundraising was conducted in two parts with a \$1.5 million placement to institutional and sophisticated investors and a further offer made to all existing shareholders by way of a Share Purchase Plan (SPP) raising an additional \$0.5 million. Ironbark established the SPP to allow existing shareholders the opportunity to participate on the same terms as the institutional and sophisticated investors. The funds will be used to bolster Ironbark's treasury and ensures that Ironbark remains in a sound financial position with no debt.

In addition Ironbark also completed a further round of strong cost cutting measures and redundancies which, while very difficult, will substantially help preserve the cash position of the

Company into the future. The current small team remains dynamic and focussed with no expected delays to the permitting due to the reduced workforce.

**Zinc Market Summary – we are nearly there!**

The well forecast global net deficit position in relation to zinc supply versus demand is becoming increasingly obvious and is, albeit slowly, exerting upward pressure on the global zinc price.

A major bank has recently predicted that “*Refined deficits of 550kt in 2016 and 660kt in 2017, representing nearly 5% of refined consumption, will rapidly destock the zinc market and will provide the foundations for zinc to reach record high prices in the next 24 months.*”

At the time of writing London Metal Exchange (LME) stockpiles, representing the largest global zinc stockpiles, are trending at 5 year lows and regularly hitting new lows on a daily basis – see Figure 1.

It is difficult to see how this trend will change given the strong downward trend in stockpiled zinc inventories is now under even further pressure with the very recent closure of two of the larger global zinc mines. The pressure that this is likely to put on a stronger zinc price looks predictable and could be perfectly timed for the development of the Citronen Base Metal Project.

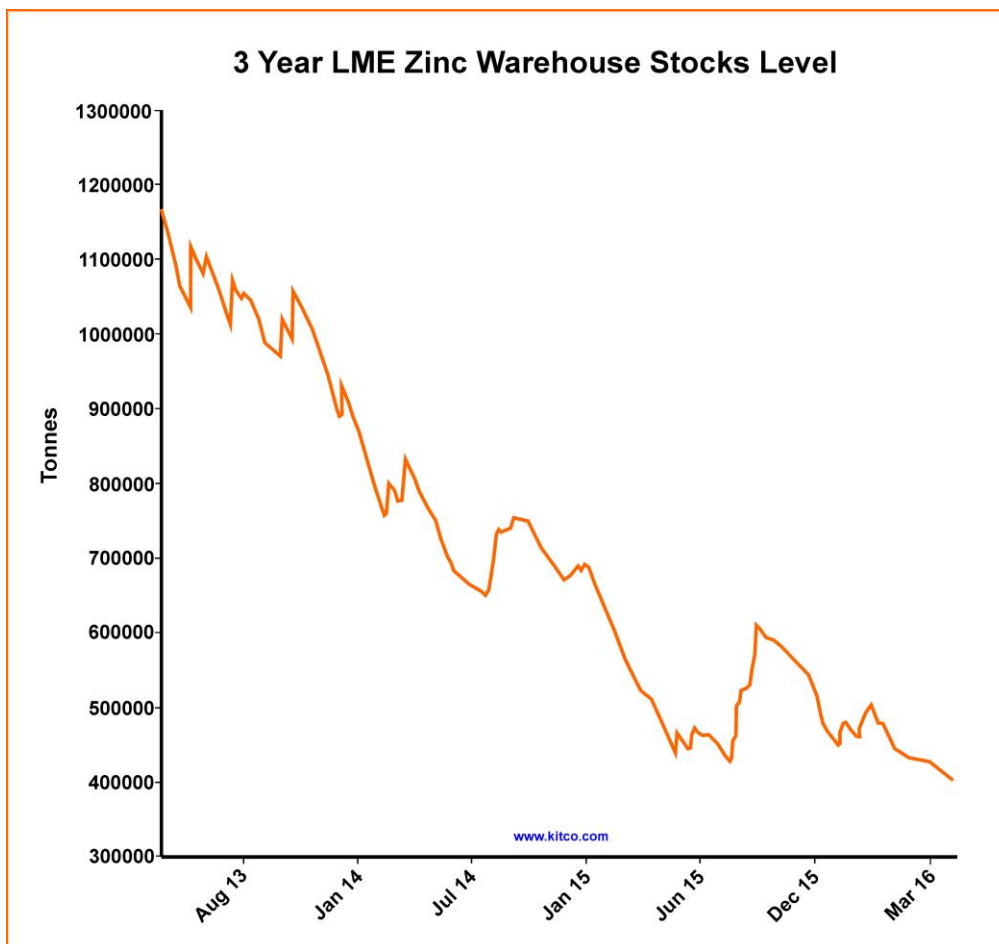


Figure 1: Three year zinc stockpiles in the London Metal Exchange, the largest zinc warehouse, highlights the ongoing trend of demand exceeding supply

### **Director resignation**

Ironbark announced Gregory Campbell's resignation as an Executive Director of Ironbark. The Board of Ironbark thanks Mr. Campbell for his outstanding contribution to Ironbark.

### **Cash at March 2016**

Cash available to the Company at the end of the March 2016 quarter was approximately \$740,000 with no debt. During the quarter further cost saving measures were implemented across the company and an additional \$2 million was raised subsequent to the quarter.

**End.**

For further information please visit Ironbark's website [www.ironbark.gl](http://www.ironbark.gl) or contact us:

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

<b>IRONBARK ZINC LIMITED CONSOLIDATED BASIS SCHEDULE OF INTERESTS IN MINING TENEMENTS</b>				
<b>Project</b>	<b>Mining tenements held</b>	<b>Location of tenements</b>	<b>Beneficial % interest at end of the quarter</b>	<b>Change in the quarter</b>
Captains Flat (Joint Venture with Glencore)	EL6381	New South Wales	50%	
Fiery Creek	EL6925	New South Wales	100%	
	EL8107			
Citronen	EL2007/02 EL2007/31 EL2010/47	Greenland	100%	
Mestersvig	EL2011/28 EL2007/32	Greenland	100%	
Washington Land	EL2007/33	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 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).

The current JORC 2012 compliant resource for Citronen:

### **70.8 million tonnes at 5.7% Zn + Pb**

<b>Category</b>	<b>Mt</b>	<b>Zn%</b>	<b>Pb%</b>	<b>Zn+Pb%</b>
Measured	25.0	5.0	0.5	5.5
Indicated	26.5	5.5	0.5	6.0
Inferred	19.3	4.9	0.4	5.3

*Using Ordinary Kriging interpolation and reported at a 3.5% Zn cut-off*

Including a higher grade resource of:

### **29.9 million tonnes at 7.1% Zn + Pb**

<b>Category</b>	<b>Mt</b>	<b>Zn%</b>	<b>Pb%</b>	<b>Zn+Pb%</b>
Measured	8.9	6.6	0.6	7.2
Indicated	13.7	6.8	0.5	7.3
Inferred	7.3	6.2	0.5	6.6

*Using Ordinary Kriging interpolation and reported at a 5.0% Zn cut-off*

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

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## **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.

### **Competent Persons Statement**

The information included in this report that relates to Exploration Results & Mineral Resources is based on information compiled by Ms E Laursen (B. ESc Hons (Geol), MSEG, MAIG), an employee of Ironbark Zinc Limited. Ms Laursen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Laursen consents to the inclusion in the report of the matters based on this information in the form and context in which it appears

### **Competent Persons Disclosure**

Ms E Laursen is an employee of Ironbark Zinc Limited and currently holds securities in the company.