

The Manager - Company's Announcements
Australian Securities Exchange

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2016

HIGHLIGHTS

- **Focus on Mining Licence approvals**
 1. **Impact Benefit Agreement terms settled**
 2. **White Paper completed**
 3. **Greenland holding company being established – “Ironbark A/S” to become Licence Holder**
 - **Fund raising completed**
 - **Mestersvig licence granted over high grade mineralisation**
 - **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 30 June 2016 in which the Company remained focused on the advancement of the Citronen Base Metals Project (“Citronen”) in Greenland.

Mining Licence Approval Status

During the quarter, Ironbark made solid progress towards attaining an Exploitation Licence (Mining Licence) for Citronen. The Company concluded the negotiation on the Impact Benefit Agreement (IBA) and finalised responding to, and updating, the Public Consultation White Paper and the Social Impact Assessment (SIA). A late amendment was requested regarding the Environmental Impact Assessment (EIA) that required the engagement of an independent consultant and that work was also completed with the updated EIA lodged with the Greenland authorities. Ironbark considers that it has complied with all the requests made and that the relevant documentation has been submitted relating to a mining licence application.

This is an exciting time for the company and we remain hopeful that an Exploitation Licence permit will be granted in the near future. This will facilitate the Company to progress with the development of the Citronen base metal project through the next stages.

Fund Raising

Ironbark completed a fund raising of approximately \$2 million during 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 \$500,000. 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.

Mestersvig licence granted over high grade mineralisation

Ironbark announced the grant of the Exploration Licence 2016/22 covering the southern extension of the high grade mineralisation at the Sortebjerg prospect (Mestersvig Project) – see Figure 1. Ironbark also holds 100% of the Exploration Licence 2007/32 over the historic Blyklippen Mine and the northern extent of Sortebjerg prospect collectively known as the Mestersvig Project, see ASX release 8 July 2016.

The high grade Sortebjerg prospect outcrops 8km to the south of the historic high grade Blyklippen zinc and lead mine which is near the Nyhavn village and port. Significant sulphide results from the most recent drilling conducted by Ironbark at the Sortebjerg Prospect included 5.0m @ 11.2% Zinc and 2.9 g/t Silver from 5.8 metres. The historic drilling conducted on the recently acquired southern extension includes outstanding results such as 5.2m @ 14.4% Zinc + Lead from 40m and 3.1m @ 21.1% Zinc + Lead and 3.0% Copper from 46.2m. High grade sulphide mineralisation is interpreted to occur over at least 1km of strike and remains open to the north, south and at depth. The mineralisation appears to show excellent continuity and is recorded as being fresh sulphide from surface.

The Sortebjerg mineral system is one of several that form along the boundaries of the graben structure that hosts the Blyklippen Mine. Numerous pods and lenses of base metal mineralisation, in the form of galena, sphalerite, +/- chalcopyrite and silver are found within outcropping quartz veins located throughout the project area.

The Mestersvig project has been significantly upgraded with the grant of this extension to the high grade mineralisation drilled by Ironbark and planning has commenced to progress this project with previous field work conducted by Ironbark identifying high grade base metal sulphides outcropping at surface.

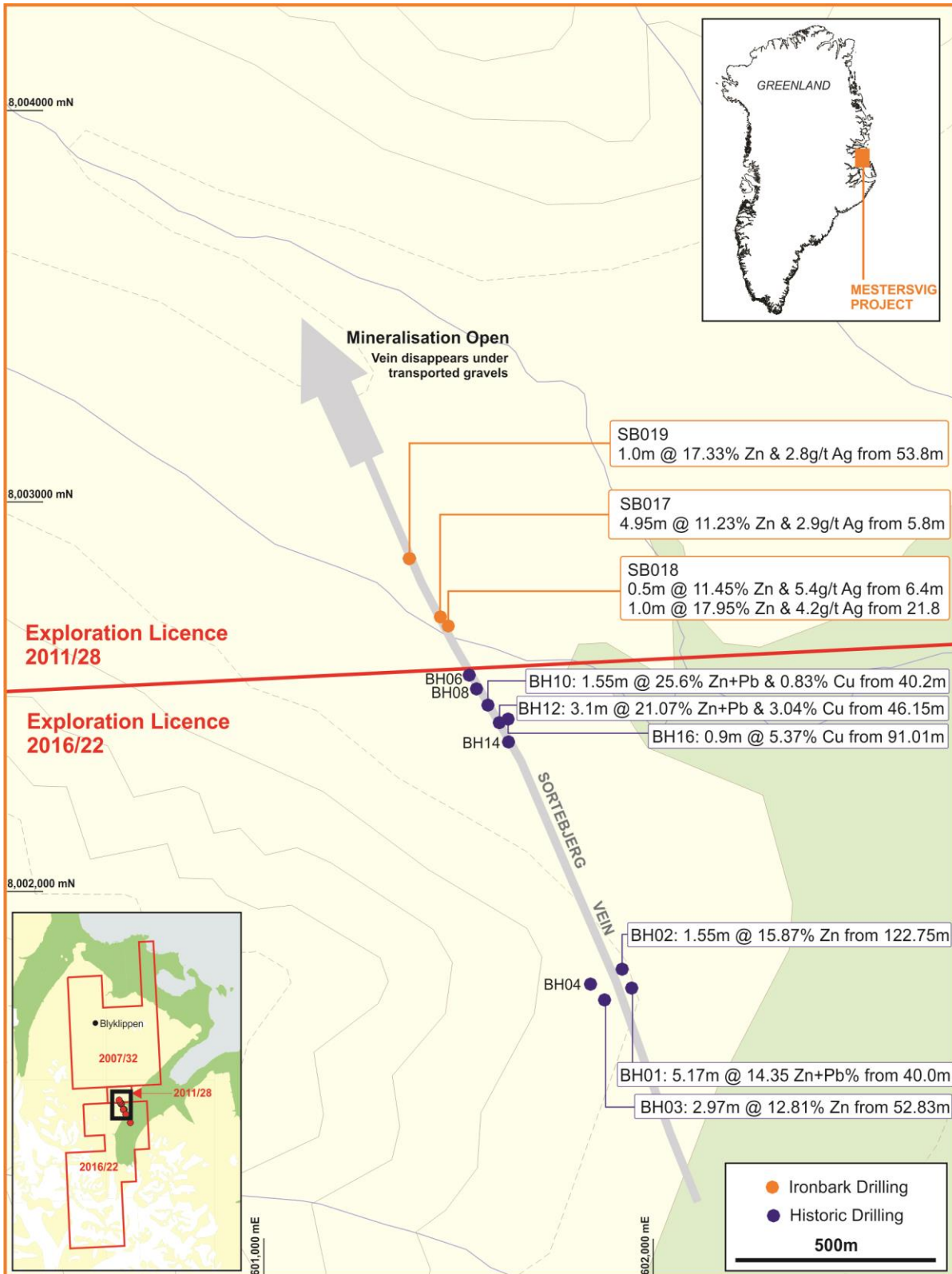


Figure 1: Sortebjerg High Grade Zinc, Lead and Copper sulphide Prospect

Zinc Market Summary – Zinc price action at last!

The well forecast global net deficit position in relation to zinc supply versus demand is now exerting clear upward pressure on the global zinc price. The zinc price has recently breached US\$1 per pound and is forecast to continue to rise.

As reported last quarter, a major bank has 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*”

The trend in both falling stockpiles, see Figure 2, and a rising zinc price appear logical and are likely to provide strong support to Ironbark’s development plans with the development of the Citronen project.



Figure 2: Three year zinc stockpiles in the London Metal Exchange, the largest zinc warehouse, highlights the ongoing trend of demand exceeding supply

Cash Position

Cash available to the Company at the end of the June 2016 quarter was approximately \$2,227,000 with no debt. During the previous quarter strong cost saving measures were implemented across the company and once off redundancy payments were made.

End.

For further information please visit Ironbark’s website www.ironbark.qj 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
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 EL2016/22	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

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	4.9	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

Category	Mt	Zn%	Pb%	Zn+Pb%
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

“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.”

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.