



AND ITS CONTROLLED ENTITIES
(ABN 93 118 751 027)

HALF YEAR REPORT
for the financial period
ended 31 December 2016

CONTENTS

<i>Corporate Directory</i>	1
<i>Directors' Report</i>	2
1. Directors.....	2
2. Principal Activities	2
3. Result of Operation	2
4. Review of Operations.....	2
5. Significant Changes in the State of Affairs	3
6. Dividends.....	4
7. Rounding off of Amounts	4
8. Auditor's Declaration	4
<i>Auditor's Independence Declaration</i>	5
<i>Independent Auditors' Review Report</i>	6
<i>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>	8
<i>Condensed Consolidated Statement of Financial Position</i>	9
<i>Condensed Consolidated Statement of Cash Flows</i>	10
<i>Condensed Consolidated Statement of Changes in Equity</i>	11
<i>Condensed Notes to the Financial Statements</i>	12
1. Statement of Significant Accounting Policies	12
2. Segment Information	14
3. Exploration Expenditure.....	17
4. Convertible Note Funding Facility	17
5. Issued Capital	17
6. Reserves	18
7. Controlled Entities.....	18
8. Contingent Assets and Liabilities.....	19
9. Dividends.....	19
10. Key Management Personnel	19
11. Events Subsequent to Reporting Date	19
<i>Director's Declaration</i>	20

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Ironbark Zinc Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN

Peter Bennetto

EXECUTIVE MANAGING DIRECTOR

Jonathan Downes

NON-EXECUTIVE DIRECTORS

David Kelly

Gary Comb

Jason Dunning

COMPANY SECRETARY

Robert Orr

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WEST PERTH WA 6005

SHARE REGISTER

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SECURITIES EXCHANGE LISTINGS

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: IBG

BANKERS

National Australia Bank

1232 Hay Street

WEST PERTH WA 6872

WEBSITE

www.ironbark.gl

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Ironbark Zinc Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of the half-year ended 31 December 2016.

1. DIRECTORS

The names of Directors who held office during or since the end of the half-year:-

Mr Peter Bennetto	Non Executive Chairman
Mr Jonathan Downes	Executive Managing Director
Mr David Kelly	Non Executive Director
Mr Gary Comb	Non Executive Director
Mr Jason Dunning	Non Executive Director

Directors have held office for the entire period and to the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITIES

During the half-year the principal activities of the Consolidated Entity consisted of exploration and development of the group's zinc ground holdings.

3. RESULT OF OPERATION

The Directors of the Company advise the consolidated loss of the Consolidated Entity after providing for income tax for the half-year to 31 December 2016 is \$749,357 (2015: \$450,665).

4. REVIEW OF OPERATIONS

Throughout the December 2016 half-year period, Ironbark Zinc Limited ("Ironbark") has remained focused on advancing the development of the Citronen Base Metals Project ("Citronen") in Greenland into a world-class mining operation.

Citronen is one of the world's largest credible zinc development projects at an advanced post-feasibility stage and, while a great deal of work remains to take Citronen through to financed production, Ironbark's team remains motivated by Citronen's prospects for growth and development.

During the half year, Ironbark announced that the Exploitation Licence (Mining Permit) for its Citronen Zinc-Lead Project in Greenland had been awarded to the Company by the Government of Greenland. The Mining Permit provides the Company with the right to exploit its wholly owned, world class Citronen Zinc-Lead Project for a period of 30 years.

Greenland has a history of zinc and lead mining and continues to seek to establish a mining industry; the country's government is seeking to develop a strong mineral and petroleum industry and has returned very high global rankings on the annual Fraser Institute survey.

DIRECTOR'S REPORT (cont)

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.

Corporate Activities

On 8 July 2016 the Company announced the grant of the Exploration Licence 2016/22 covering the southern extension of the high grade mineralisation at the Sortebjerg prospect (Mestersvig Project).

On 27 July 2016 the Company incorporated a new 100% wholly-owned Australian subsidiary namely 'Ironbark Aust Pty Ltd'.

On 4 August 2016 the Company executed an agreement with ALT Resources Limited to grant them the exclusive right to earn up to an 80% legal and beneficial interest over the Company's Fiery Creek tenement (EL6925) over the course of a staged earn-in agreement.

On 26 September 2016 the Company announced the Impact Benefit Agreement with the four municipalities in Greenland had been executed.

On 25 November 2016 the Company held its Annual General Meeting of Shareholders and subsequently announced that all resolutions put to the meeting were passed unanimously by a show of hands.

On 30 November 2016 the Company issued 4,800,303 shares to staff in lieu of cash-based salary with an issue price of \$0.069 p/share. The shares had an aggregate value of \$331,221. This strategy of providing an equity-based payment scheme enables the Company to preserve cash for operational activities. The shares were approved by shareholders at the Company's AGM.

On 18 December 2016 1,000,000 of the Company's unlisted share options with an exercise price of \$0.10 lapsed.

On 15 August 2016 the Company incorporated a new Greenland subsidiary namely 'Ironbark A/S'. The new subsidiary is 100% wholly owned by the Company's subsidiary "Ironbark Aust Pty Ltd". The Company transferred its Citroneon Project and associated exploitation license to Ironbark A/S during the half year period.

On 19 December 2016 the Company announced that the Exploitation Licence (Mining Permit) for its Citronen Zinc-Lead Project in Greenland had been awarded to the Company by the Government of Greenland. The Mining Permit provides the Company with the right to exploit its wholly owned, world class Citronen Zinc-Lead Project for a period of 30 years.

At the end of the half year, cash available to the Company was \$1,446,253 (30 June 2016: \$2,227,158).

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

DIRECTOR'S REPORT (cont)

6. DIVIDENDS

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.

7. ROUNDING OFF OF AMOUNTS

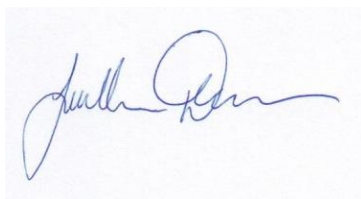
The amounts contained in this report have been rounded under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the Class Order applies, and in accordance with that Class Order, amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars (where rounding is appropriate).

8. AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2016.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

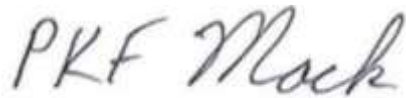
On behalf of the directors



Jonathan Downes
Managing Director
Dated this 14 March 2017

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

In relation to our review of the financial report of Ironbark Zinc Limited for the half year ended 31 December 2016, 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



SHANE CROSS
PARTNER

14 MARCH 2017
WEST PERTH,
WESTERN AUSTRALIA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IRONBARK ZINC LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Zinc Limited (the Company) and controlled entities (consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2016, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Ironbark Zinc Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

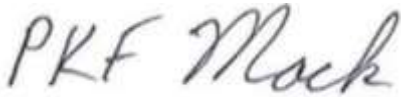
Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ironbark Zinc Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



PKF MACK



SHANE CROSS
PARTNER

14 MARCH 2017
WEST PERTH,
WESTERN AUSTRALIA

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the half year ended 31 December 2016**

	31-Dec 2016 \$'000	31-Dec 2015 \$'000
Revenue		
Other revenue	75	108
Expenses		
Administrative expenses	(24)	(26)
Consultancy expenses	(58)	(69)
Depreciation and amortisation expenses	(1)	(3)
Directors fees	(113)	(109)
Employee benefits expense	(238)	(212)
Exploration expenditure written off	(125)	(1)
Fair value movement of financial assets	-	4
Insurance expenses	(15)	(17)
Occupancy expenses	(15)	(56)
Loss on extinguishment of financial liability	(144)	-
Regulatory expenses	(90)	(55)
Travel expenses	(1)	(15)
	<hr/>	<hr/>
Loss before income tax expense	(749)	(451)
Income tax expense	-	-
	<hr/>	<hr/>
Loss for the period	(749)	(451)
Other comprehensive income		
<i>Items that maybe reclassified subsequently to profit and loss</i>		
Exchange differences arising on translation of foreign operations	(2)	-
	<hr/>	<hr/>
Total comprehensive loss for the period	(751)	(451)
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share		
Basic and diluted loss per share (cents) calculated on loss for the period	(0.15)	(0.10)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	31-Dec 2016 \$'000	30-Jun 2016 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,446	2,227
Trade and other receivables		25	28
Other current assets		15	12
TOTAL CURRENT ASSETS		1,486	2,267
NON-CURRENT ASSETS			
Plant and equipment		3	3
Exploration and evaluation expenditure	3	44,235	43,977
Other assets		109	110
TOTAL NON-CURRENT ASSETS		44,347	44,090
TOTAL ASSETS		45,833	46,357
CURRENT LIABILITIES			
Trade and other payables		143	307
Provisions		77	161
TOTAL CURRENT LIABILITIES		220	468
TOTAL LIABILITIES		220	468
NET ASSETS		45,613	45,889
EQUITY			
Issued capital	5	115,026	114,551
Reserves	6	1,307	1,346
Accumulated losses		(70,720)	(70,008)
TOTAL EQUITY		45,613	45,889

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2016

	31-Dec-16 \$'000	31-Dec-15 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for administration and corporate expenses	(216)	(264)
Payments for exploration and evaluation expenses	(395)	(493)
Payments for staff costs	(237)	(300)
Interest received	13	16
Other revenue	56	82
	<u>(779)</u>	<u>(959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed assets	-	(2)
Proceeds from joint arrangements	-	37
	<u>-</u>	<u>35</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>35</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
	<u>-</u>	<u>-</u>
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(779)	(924)
Effect of movement in exchange rates on cash held	(2)	-
Cash and cash equivalents at the beginning of the reporting period	2,227	2,132
	<u>2,227</u>	<u>2,132</u>
Cash and cash equivalents at the end of the reporting period	<u><u>1,446</u></u>	<u><u>1,208</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2016

	Issued Capital	Share Based Payment Reserve	Foreign Translation Reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	114,551	1,346	-	(70,008)	45,889
Loss for the period	-	-	-	(749)	(749)
<i>Other Comprehensive Income</i>					
Exchange differences arising on translation of foreign operations	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	(2)	(749)	(751)
<i>Transactions with owners, recorded directly in equity</i>					
Issue of share capital	-	-	-	-	-
Share-based payments	475	-	-	-	475
Lapse of share options	-	(37)	-	37	-
Costs of raising capital	-	-	-	-	-
Total transactions with owners	475	(37)	-	37	475
Balance at 31 December 2016	115,026	1,309	(2)	(70,720)	45,613
Balance at 1 July 2015	112,678	1,388	-	(68,857)	45,209
Loss for the period	-	-	-	(451)	(451)
<i>Other Comprehensive Income</i>					
Exchange differences arising on translation of foreign operations	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(451)	(451)
<i>Transactions with owners, recorded directly in equity</i>					
Issue of share capital	-	-	-	-	-
Share-based payments	-	-	-	-	-
Costs of raising capital	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance at 31 December 2015	112,678	1,388	-	(69,308)	44,758

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

Ironbark Zinc Limited (the Company) is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The half-year consolidated financial report of the company for the six months ended 31 December 2016, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Ironbark Zinc Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half-year financial statements were authorised for issue in accordance with a resolution of the directors on 14 March 2017.

Basis of Preparation

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2016, except for the impact of the Standards and Interpretations described below. Those accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to their operations and mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity and are consistent with those of the previous financial years and corresponding interim reporting period.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS for the half year ended 31 December 2016 (cont)

Impact of new standards and interpretations issued but not yet adopted

There are no new standards that have been issued since 30 June 2016 that have been applied by the Consolidated Entity. The 30 June 2016 annual report disclosed that the Consolidated Entity anticipated no new material impacts arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

Going Concern Basis

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss after tax of \$749,357 for the period ended 31 December 2016 (31 December 2015: \$450,665). As at 31 December 2016 the Consolidated Entity had net assets of \$45,613,296 (30 June 2016: \$45,889,537) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2016 the Consolidated Entity had \$1,446,253 (30 June 2016: \$2,227,158) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. Should the Consolidated Entity be unable to raise additional funds, there is a material uncertainty which may cast significant doubt over the Consolidated Entity ability to continue as a going concern. As at 31 December 2016 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Consolidated Entity not continue as a going concern.

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.

(ii) *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.

(iii) *Impairment of exploration and evaluation assets*

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS for the half year ended 31 December 2016 (cont)

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

(iv) *Classification of investments*

The Consolidated Entity 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 reporting date are charged or credited to the revaluation reserves.

(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 is currently completing a definitive feasibility study and is seeking to support and affirm the project value. There is a risk that the assumptions used in present valuations and the change in prevailing market conditions could affect the project value.

2. SEGMENT INFORMATION

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) 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.

The Consolidated Entity 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.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS
for the half year ended 31 December 2016 (cont)

2016	Australia	Greenland	Total
	\$000	\$000	\$000
(i) Segment performance			
For the period ended 31 December 2016			
Revenue			
<u>Unallocated items:</u>			
Interest revenue			15
Cost recoveries			60
Other revenue			-
Total segment revenue			<u>75</u>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Exploration expenditure written off	(69)	(56)	(125)
<u>Unallocated items:</u>			
Other expenses			(699)
Net loss before tax			<u>(749)</u>
(ii) Segment assets			
As at 31 December 2016			
Segment assets at 1 July 2016	1,212	42,835	44,047
Segment asset increase for the period:			
Exploration expenditure	(10)	269	259
Other assets	-	(2)	(2)
	<u>1,202</u>	<u>43,102</u>	<u>44,304</u>
Reconciliation of segment assets to group assets			
<u>Unallocated assets:</u>			
Cash and cash equivalents			1,446
Trade and other receivables			25
Plant and equipment			3
Financial assets			-
Other assets			55
Total group assets			<u>45,833</u>
(iii) Segment liabilities			
As at 31 December 2016			
Reconciliation of segment liabilities to group liabilities			
Other liabilities	-	(1)	(1)
<u>Unallocated items:</u>			
Other liabilities			(219)
			<u>(220)</u>

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS
for the half year ended 31 December 2016 (cont)

2015	Australia	Greenland	Total
	\$000	\$000	\$000
(iv) Segment performance			
For the period ended 31 December 2015			
Revenue			
<u>Unallocated items:</u>			
Interest revenue			17
Cost recoveries			80
Other Revenue			11
Total segment revenue			<u>108</u>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Exploration expenditure written off	-	(1)	(1)
<u>Unallocated items:</u>			
Other expenses	-	-	(558)
Net loss before tax	<u>-</u>	<u>(1)</u>	<u>(451)</u>
(v) Segment assets			
As at 30 June 2016	1,098	42,140	43,238
<u>Reconciliation of segment assets to group assets</u>			
Exploration expenditure	152	693	845
Trade and other receivables	(38)	-	(38)
Other assets	-	2	2
	<u>1,212</u>	<u>42,835</u>	<u>44,047</u>
<u>Unallocated assets:</u>			
Cash and cash equivalents			2,227
Trade and other receivables			28
Plant and equipment			3
Financial assets			-
Other assets			52
Total group assets			<u>46,357</u>
(vi) Segment liabilities			
As at 30 June 2016			
<u>Reconciliation of segment liabilities to group liabilities</u>			
Other liabilities	-	13	13
	<u>-</u>	<u>13</u>	<u>13</u>
<u>Unallocated items:</u>			
Other liabilities			455
			<u>468</u>

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS
for the half year ended 31 December 2016 (cont)

3. EXPLORATION EXPENDITURE

	31 Dec 2016	30 Jun 2016
	\$'000	\$'000
Balance at the beginning of the period	43,977	43,132
Exploration expenditure capitalised during the period	383	935
Impairment of exploration expenditure	(125)	(90)
Balance at the end of the period	<u>44,235</u>	<u>43,977</u>

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.

4. CONVERTIBLE NOTE FUNDING FACILITY

In October 2011, the Consolidated Entity 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 availability of the facility is subject to the completion of certain conditions. As at 31 December 2016, the Consolidated Entity has not fulfilled all the conditions of the agreement and hence has not drawn on the funding facility or issued the Convertible Note.

5. ISSUED CAPITAL

	31-Dec 2016	30-Jun 2016
	\$'000	\$'000
Issued and fully paid ordinary shares	118,223	117,748
Less: capital issue costs net of tax	(3,197)	(3,197)
	<u>115,026</u>	<u>114,551</u>

On 30 November 2016 the Company issued 4,800,303 shares to Directors and staff in lieu of cash-based salary. The shares had a notional value of \$331,221 at the time of seeking shareholder approval and \$475,230 at the date of issue. The difference of \$144,009 has been recognised as an extinguishment in liability.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS
for the half year ended 31 December 2016 (cont)

6. RESERVES

	31-Dec 2016 \$'000	30-Jun 2016 \$'000
Foreign translation reserve	(2)	-
Share based payment reserve	1,309	1,346
	1,307	1,346
<u>a) Foreign exchange translation reserve</u>		
Balance at the beginning of the period	-	-
Exchange differences arising on translating the foreign operations	(2)	-
Balance at the end of the period	(2)	-
<u>b) Share based payment reserve</u>		
Balance at the beginning of the period	1,346	1,388
Lapse of options on expiry	(37)	(42)
Balance at the end of the period	1,309	1,346

On 18 December 2016 1,000,000 of the Company's unlisted share options with an exercise price of \$0.10 lapsed. The fair value relating to these options was \$36,700.

The options outstanding at reporting date had a weighted average exercise price of \$0.18 and a weighted average remaining contractual life of 0.92 years.

All options on issue are ordinary shares in the Company, which confer a right of one ordinary share for every option held. During the period there was no share issues as a result of exercise of options.

7. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned	
		31 December 2016 %	30 June 2016 %
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
Ironbark Aust Pty Ltd	Australia	100	-
Subsidiaries of Ironbark Aust Pty Ltd:			
Ironbark A/S	Greenland	100	-

On 27 July 2016 the Company incorporated a new 100% wholly-owned Australian subsidiary namely 'Ironbark Aust Pty Ltd'.

On 15 August 2016 the Company incorporated a new Greenland subsidiary namely 'Ironbark A/S'. The new subsidiary is 100% wholly owned by the Company's subsidiary "Ironbark Aust Pty Ltd".

**NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS
for the half year ended 31 December 2016 (cont)**

8. CONTINGENT ASSETS AND LIABILITIES

There has been no change to contingent liabilities since the last annual reporting date.

9. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2016.

10. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2017 the Company announced the immediate appointment of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC), under an agreement considered to be a major step towards advancing the financing and development of the Citronen Project. NFC have been engaged to:

- Incorporate current Chinese equipment and construction costs into the Citronen Feasibility Study
- Prepare a project study report in compliance with the financing requirement of China's banks
- Ensure the technical criteria is in compliance with local laws, regulations, standards and codes in Greenland and China
- Assist Ironbark in securing Chinese project debt financing for the development of Citronen under the terms of the earlier Memorandum of Understanding.

The Company selected NFC due to the contractor being able to provide the most technically capable, rapid and competitive construction engineers whom can deliver a turnkey, fixed price EPC solution in order to develop and commission the Citronen Project.

On 7 February 2017 the Company announced the placement of 28,750,000 fully paid ordinary shares with sophisticated investors. The shares had an issue price of \$0.08 /share raising a total of \$2,300,000. The funds will be utilised to advance the Citroneon Project and provide general operational funding.

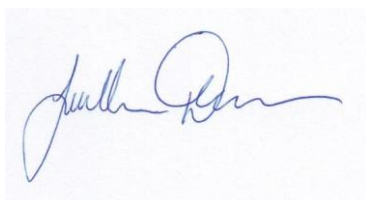
No matter or circumstance has arisen subsequent to 31 December 2016 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting Consolidated Entity in future financial periods.

DIRECTOR'S DECLARATION

The Directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 8 to 19 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. 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 directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Jonathan Downes
Managing Director

Dated this day 14 March 2017