Ironbark Zinc Limited

AND ITS CONTROLLED ENTITIES
(ABN 93 118 751 027)

ANNUAL REPORT

for the financial year ended 30 June 2017

CONTENTS

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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SECURITIES EXCHANGE LISTINGS
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Code: IBG

BANKERS
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1232 Hay Street
WEST PERTH WA 6872

WEBSITE
www.ironbark.gl

MANAGING DIRECTOR'S LETTER

Dear Shareholder,

I am pleased to share with you the annual review of Ironbark Zinc Limited's ("Ironbark" or "the Company") activities.

Ironbark has maintained focus on the 100% owned Citronen Base Metals Project ("Citronen") which is making solid progress to becoming one of the world's largest credible zinc development projects. Citronen holds over 13 billion pounds of zinc and lead and has a projected 14 year mine life, which is defined only by the limits of drilling. As such, one of the most exciting aspects remains its exceptional exploration potential.

The Company finally obtained a 30 year Mining Licence (Exploitation Licence) and immediately commenced work on updating the Feasibility Study to meet Western World banking standards and at the same time entered into an agreement with China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd (NFC) to complete its due diligence and engineering work with a view to having the Feasibility Study in a Chinese bank friendly format.

As an event subsequent to the reporting period for this Annual Report we announced the updated Feasibility Study. The Feasibility Study Update (2017) was based on the original Feasibility Study but has incorporated a recent review of capital and operating costs. Major changes that have been highly favourable include improved global benchmark smelter treatment terms, lower fuel prices, representing one of Ironbark's largest forecast costs of operation, and the long-anticipated recovery in the zinc metal price. Over the same period there have also been some cost increases including wages and some materials. The result is a far more robust project than ever before and it is well positioned on the starting blocks to become a major new zinc producer.

Ironbark remains debt-free and has a strong shareholder base including Nyrstar NV and Glencore AG. Ironbark's engineering and construction Memorandum of Understanding (MOU) with NFC for a fixed price Engineering, Procurement and Construction (EPC) contract. The MOU encompasses a 70% debt funding proposal through Chinese banks and provides NFC with a right to buy a 20% direct interest in the Citronen Project. Citronen's Feasibility Study with all the supporting studies has been presented to NFC for the purposes of preparing the EPC and financing work. Ironbark is assessing the best financing pathway forward and is considering working with several potential partners.

Zinc has maintained its volatility with the forecast imbalance of zinc consumption exceeding supply continuing. The long list of zinc mines that have depleted their mineral resources and shut down and in addition, recently many operations have been under increasingly stringent environmental review due to poor historic practices have contributed to this deficit imbalance. There has been a tightening in the zinc market borne out by falling global stockpiles (Figure 1), reduced smelter treatment charges due to competition between smelters seeking to attract concentrates and most importantly rising zinc prices. Adding further pressure is the growing global demand that is expected to require a further 2.5-3% per annum in zinc production to meet this growing demand which equates to an annual requirement for an additional ~350,000t of zinc production.

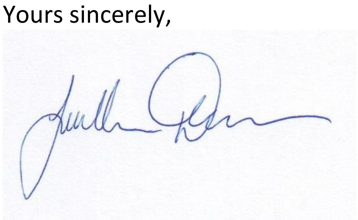
MANAGING DIRECTOR’S LETTER (cont)

Figure 1 - Long running trend of falling zinc stockpiles in the London Metal Exchange

The World Bureau of Metal Statistics summarises that zinc and lead stockpiles were in deficit in the first six months of the year. The zinc market was in deficit by 370,000t for the first six months of the year, more than the total 223,000t deficit recorded for 2016 which drove the price of zinc by approximately 60%. While zinc stocks were falling the world demand for zinc had risen by 270,000t year-on-year for the first six months of 2017.

On behalf of the Ironbark team, we are grateful for your continued support over the year. We believe that the company’s focus on zinc is on the cusp of being rewarded. We have achieved the long sought mining licence and now have a current Feasibility Study. These are the essential tools needed to progress the financing and construction. Our progress this year and the granted Mining Licence affirms our confidence that Greenland is a nation that is actively seeking to establish a mining sector and we look forward to the next stages as we move to developing large scale base metal operations.

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 2017.

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 David Kelly	Non Executive Director
Mr Gary Comb	Non Executive Director
Mr Jason Dunning	Non Executive Director

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 $1,651,289 (2016: $1,192,616).

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.

6. Likely developments and expected results of the operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

DIRECTOR'S REPORT (cont.)

7. Review of Operations

BUSINESS ACTIVITIES

The principal achievement was the grant of a 30 year Mining Licence for the Citronen Zinc Project

The Company obtained a 30 year Mining Licence (Exploitation Licence) and immediately commenced work on updating the Feasibility Study to meet Western World banking standards and at the same time entered into an agreement with China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd (NFC) to complete its due diligence and engineering work with a view to having the Feasibility Study in a Chinese bank friendly format. The NFC study is expected fairly soon and will be reported to the market in due course.

As part of NFC's work Ironbark concluded a site visit to Citronen with the Greenland Government Minister for Mines, Múte Bourup Egede and the Deputy Minister, Jørgen T. Hammeken-Holm as well as Vice President of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd ("NFC"), Mr. Qin Junman. NFC has a Memorandum of Understanding with Ironbark for the potential funding and construction of the Citronen Project, and Mr. Junman led a team of engineers and experts from NFC and the Nerin Group in the site visit as part of NFC's ongoing project assessment. In addition Ironbark was supported by a senior engineer from CPC Project Design ("CPC"), a senior Ironbark geologist and a support crew. The site inspection formed part of the NFC project review and a Feasibility Study update being compiled by NFC for the purpose of preparing the project to access Chinese financing and development with current costs, pursuant to the MoU.

The site inspection was successful in introducing the Greenland Government Mines Minister and Deputy Minister to the Vice President of NFC and his selected team. It provided a solid understanding around the construction requirements and operating conditions for the Project. Presentations and reviews were conducted on the mineralisation, site locations of the open pit and underground mine, the process plant and tailings location, the port location and water supply among many other aspects of the Project.

As an event subsequent to the reporting period for this Annual Report Ironbark announced the updated Feasibility Study. The Feasibility Study Update (2017) was based on the original Feasibility Study but has incorporated a recent review of capital and operating costs.

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 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 has transferred its Citronen Project and associated exploitation licence to this entity.

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.

DIRECTOR'S REPORT (cont.)

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 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.

On 24 January 2017 the Company announced the 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 Citronen Project and provide general operational funding.

8. Discussion and Analysis of Operations and the Financial Position

The net assets of the Consolidated Entity have increased marginally from $45,889,537 in 2016 to $47,582,103 in 2017.

The Consolidated Entity's working capital, being current assets less current liabilities, has increased from $1,798,688 in 2016 to $1,992,840 in 2017 and as at 30 June 2017 the Consolidated Entity had $2,465,272 (2016:$2,227,158) cash on hand. The Consolidated Entity may require further funding during the 2018 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

DIRECTOR'S REPORT (cont.)

at 30 June 2017. Accordingly, the Consolidated Entity recorded an impairment of exploration expenditure of $235,391 (2016: $89,858).

During the financial year, the Company assessed the carrying value of its exploration expenditure on the Citronen project and concluded that it was appropriate to maintain the value of the project.

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 entity's commitment to appropriate corporate governance principles.

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

9. Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operation.

10. After Reporting Date Events

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.

11. 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.

12. Information on Directors

Mr Peter Bennetto	—	Non Executive Chairman
Qualifications	—	GAICD, SA Fin
Experience	—	Mr Bennetto has over 30 years' experience in investment and banking. He has held company Director positions in exploration, mining and manufacturing companies listed on the ASX since 1990.
Interest in Shares and Options	—	2,624,611 fully paid ordinary shares 1,000,000 share options
Length of service	—	From 6 June 2006 to present
Special responsibilities:	—	Audit, Remuneration, Nomination and Risk committee
Directorships held in other listed entities	—	Medadvisor Limited (formerly Exalt Resources) from 28 November 2013 to present

DIRECTOR'S REPORT (cont.)

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.
Interest in Shares and Options	—	11,225,590 fully paid ordinary shares 6,000,000 share options
Length of service		From 18 April 2006 to present
Special responsibilities:	—	Audit, Remuneration, Nomination and Risk committee
Directorships held in other listed entities	—	Corazon Mining Limited from 10 April 2006 to present date Sabre Resources Limited from 14 December 2007 to 7 December 2016 Waratah Resources Limited from 17 July 2008 to 28 November 2014

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
Length of service		From 16 July 2007 to present
Special responsibilities:	—	Audit, Remuneration, Nomination and Risk committee
Directorships held in other listed entities	—	Nil

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 Australia Pty Ltd and Managing Director of Jabiru Metals Limited.
Interest in Shares and Options	—	2,179,571 fully paid ordinary shares
Length of service		From 1 February 2012 to present
Special responsibilities:	—	None
Directorships held in other listed entities	—	Finders Resources Ltd from 5 June 2013 to present date Aurelia Metals Ltd (formerly YTC Resources Limited) from 4 July 2012 to 30 June 2017

DIRECTOR'S REPORT (cont.)

Information on Directors (Continued)

Mr Jason Dunning	—	Non Executive Director
Qualifications	—	M.Sc. Geology
Experience	—	Mr Jason Dunning, joined Nyrstar in October 2014 as its Group Manager – Geology & Exploration responsible for management of all activities at its mines and on its land tenure, Jason Dunning has previously served as Alamos Gold Inc.'s Vice President, Exploration; as Selwyn Resources Ltd.'s Vice President, Exploration; as Yukon Zinc Corporation's Vice President, Exploration.
Interest in Shares and Options	—	Nil
Length of service		From 9 October 2015 to present
Special responsibilities:	—	None
Directorships held in other listed entities	—	Nil

13. Remuneration Report – Audited

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

Remuneration policy

The Company'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 Company's Board 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 as 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.

DIRECTOR'S REPORT (cont.)

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5%, 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.

The employment conditions of the Executive Directors 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:

2017

Key Management Personnel	Position held as at 30 June 2017 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 %	Cash based remuneration %	Equity based remuneration	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.	-	-	-	82	18	100
David Kelly	Non Executive Director	No fixed term. Upon advice from Nominee Glencore, required to terminate.	-	-	-	-	-	-
Gary Comb	Non Executive Director	No fixed term.	-	-	-	-	100	100
Jason Dunning	Non Executive Director	No fixed term.	-	-	-	-	-	-
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 3 months notice required to terminate.	-	-	-	76	24	100

DIRECTOR'S REPORT (cont.)

2016

Key Management Personnel	Position held as at 30 June 2017 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 %	Cash based remuneration %	Equity based remuneration	Total %
Peter Bennetto	Non Executive Chairman	No fixed term. 3 months notice required to terminate.	-	-	-	44	56	100
Jonathan Downes	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	87	13	100
David Kelly	Non Executive Director	No fixed term. Upon advice from Nominee Glencore, required to terminate.	-	-	-	-	-	-
Gary Comb	Non Executive Director	No fixed term.	-	-	-	44	56	100
Jason Dunning	Non Executive Director	No fixed term. Upon advice from Nominee Nyrstar, required to terminate.	-	-	-	-	-	-
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 3 months notice required to terminate.	-	-	-	84	16	100
Gregory Campbell	Executive Director	Contract finished.	-	-	-	100	-	100
Adrian Byass	Executive Director	Contract finished.	-	-	-	100	-	100
Chris James	Non Executive Director	Contract finished.	-	-	-	-	-	-

DIRECTOR'S REPORT (cont.)

a. Key Management Personnel Remuneration

	Short Term Benefits		Share Based Payments (a)	Post Employment Benefits	Total
	Salary and fees	Others	Securities	Superannuation	
2017					
Peter Bennetto	-	-	116,644	-	116,644
Jonathan Downes	261,208	-	62,810	20,535	344,553
Gary Comb	-	-	82,417	-	82,417
David Kelly	-	-	-	-	-
Jason Dunning	-	-	-	-	-
Robert Orr	162,619	-	57,771	15,449	235,839
	423,827	-	319,642	35,984	779,453
2016					
Peter Bennetto	42,247	-	59,146	4,013	105,406
Jonathan Downes	229,670	-	38,278	21,819	289,767
Gary Comb	29,850	-	41,791	2,836	74,477
David Kelly	-	-	-	-	-
Jason Dunning	-	-	-	-	-
Gregory Campbell	264,040	-	-	18,718	282,758
Adrian Byass	28,667	-	-	-	28,667
Chris James	-	-	-	-	-
Robert Orr	172,783	-	35,207	16,414	224,404
	767,257	-	174,422	63,800	1,005,479

(a) During the financial period in an effort to reduce Company cash expenditure it was agreed that some key personnel would be paid a portion of their cash-based remuneration in Company shares. The shares will be issued subject to shareholder approval at the Company's Annual General Meeting, in the event that approval is not obtained the remuneration will be paid in cash.

Performance income as a proportion of total income

No bonuses were paid to Executive or Non Executive Directors during the period.

b. *Options and rights holdings*

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including the personally related parties, is set out below:

Number of options held by key management personnel:	Opening Balance 1.7.2016 No.	Granted as Compensation No.	Options Exercised No.	Option Expired No.	Closing Balance 30.6.2017 No.	Total Vested 30.6.2017 No.	Total Exercisable 30.6.2017 No.	Total Un-exercisable 30.6.2017 No.
Peter Bennetto	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Jonathan Downes	6,000,000	-	-	-	6,000,000	6,000,000	6,000,000	-
Gary Comb	1,000,000	-	-	(1,000,000)(a)	-	-	-	-
David Kelly	-	-	-	-	-	-	-	-
Jason Dunning	-	-	-	-	-	-	-	-
Chris James	-	-	-	-	-	-	-	-
Robert Orr	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Total	10,000,000	-	-	(1,000,000)	9,000,000	9,000,000	9,000,000	-

a) On 18 December 2016 options issued to Mr Gary Comb lapsed.

c. Share holdings

The number of shares in the Company held during the financial year by each Director and other member of key management personnel of the consolidated entity including their personally related parties is set out below:

Number of shares held by key management personnel:	**Opening Balance 01.07.16** **No.**	**Received as compensation** **No.**	**Options exercised** **No.**	**Net change other*** **No.**	**Closing Balance 30.6.2017** **No.**
Jonathan Downes	10,183,503	893,319	-	148,768	11,225,590
Peter Bennetto	1,222,104	1,402,507	-	-	2,624,611
Gary Comb	1,137,412	1,042,159	-	-	2,179,571
Jason Dunning	-	-	-	-	-
David Kelly	-	-	-	-	-
Robert Orr	1,034,895	821,652	-	-	1,856,547
Total	13,577,914	4,159,637	-	148,768	17,886,319

*Net change other reflects on-market purchases and shares acquired via an indirect acquisition.

14. 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	3	3	1	1
Jonathan Downes	7	7	3	3	1	1
David Kelly	7	7	3	3	1	1
Gary Comb	7	7	-	-	-	-
Jason Dunning	7	5	-	-	-	-

DIRECTOR'S REPORT (cont.)

15. 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 and key personnel 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 premium appropriated to each Director and officer for the financial period was approximately $1,470. The amounts varied for each party proportionate to their duration of service to the Company during the financial period.

– Peter Bennetto
– Jonathan Downes
– David Kelly
– Gary Comb
– Jason Dunning
– Robert Orr

16. 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
24/01/2012	31/12/2017	0.30	5,000
20/11/2014	20/11/2017	0.133	14,000
			19,000

17. Proceedings on Behalf of the Company

No 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.

18. 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.

DIRECTOR'S REPORT (cont.)

The following fees were paid out to PKF Mack Chartered Accountants for non-audit services provided during the year ended 30 June 2017:

Taxation compliance service	$4,300

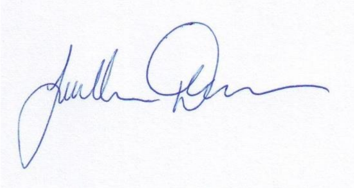
19. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 17 of the financial report.

20. Rounding of Amounts

The Company is an entity to which ASIC Class Order 2016/91 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: 21 September 2017

Accounting, Financial and Business Advisory

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF IRONBARK ZINC LIMITED

In relation to our audit of the financial report of Ironbark Zinc Limited for the year ended 30 June 2017, 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

PKF MACK

SHANE CROSS
PARTNER

21 SEPTEMBER 2017
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $000	2016 $000
Other revenue	2	142	151
Administration expenses		(76)	(52)
Consultancy expenses		(191)	(117)
Depreciation and amortisation expense	11	(1)	(7)
Director’s fees		(227)	(211)
Employee benefits expense		(518)	(337)
Equity compensation benefits	3	-	(202)
Impairment of exploration expenditure	13	(235)	(90)
Fair value movement of financial assets		-	(12)
Insurance		(29)	(39)
Loss on extinguishment of financial liability		(144)	-
Occupancy expenses		(32)	(112)
Realised loss on disposal of fixed assets	11	-	(24)
Regulatory and legal expenses		(249)	(108)
Travel expenses		(91)	(33)
Loss before income tax expense	3	(1,651)	(1,193)
Income tax benefit	4	-	-
Loss for the year		(1,651)	(1,193)
Other comprehensive income/(loss), net of income tax			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		716	-
Other comprehensive income/(loss), net of tax		716	-
Total comprehensive loss for the year		(935)	(1,193)
LOSS PER SHARE			
Basic and diluted loss per share (cents)	7	(0.32)	(0.26)

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 2017

	NOTE	2017 $000	2016 $000
CURRENT ASSETS			
Cash and cash equivalents	8	2,465	2,227
Trade and other receivables	9	40	28
Other current assets	12	13	12
Income tax receivable	4	-	-
TOTAL CURRENT ASSETS		2,518	2,267
NON CURRENT ASSETS			
Plant and equipment	11	2	3
Exploration and evaluation expenditure	13	45,477	43,977
Other assets	12	110	110
TOTAL NON CURRENT ASSETS		45,589	44,090
TOTAL ASSETS		48,107	46,357
CURRENT LIABILITIES			
Trade and other payables	15	394	307
Short-term provisions	16	131	161
TOTAL CURRENT LIABILITIES		525	468
TOTAL LIABILITIES		525	468
NET ASSETS		47,582	45,889
EQUITY			
Issued capital	17	117,179	114,551
Reserves	18	2,025	1,346
Accumulated losses		(71,622)	(70,008)
TOTAL EQUITY		47,582	45,889

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 2017

	Issued Capital $000	Share based payment reserve $000	Foreign translation reserve $000	Accumulated Losses $000	Total $000
Balance at 30 June 2015	112,678	1,388	-	(68,857)	45,209
Loss for the year	-	-	-	(1,193)	(1,193)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(1,193)	(1,193)
Transactions with owners, recorded directly in equity					
Issue of share capital	2,005	-	-	-	2,005
Share based payments	-	-	-	-	-
Costs of raising capital	(132)	-	-	-	(132)
Lapse of share options	-	(42)	-	42	-
Total Transactions with owners	*1,873*	*(42)*	-	42	*1,873*
Balance at 30 June 2016	***114,551***	***1,346***	***-***	***(70,008)***	***45,889***
Loss for the year	-	-	-	(1,651)	(1,651)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	-	-	716	-	716
Total comprehensive income/(loss) for the year	-	-	716	(1,651)	(935)
Transactions with owners, recorded directly in equity					
Issue of share capital	2,300	-	-	-	2,300
Share based payments	475	-	-	-	475
Costs of raising capital	(147)	-	-	-	(147)
Lapse of share options	-	(37)	-	37	-
Total Transactions with owners	***2,628***	***(37)***	***-***	***37***	***2,628***
Balance at 30 June 2017	**117,179**	**1,309**	**716**	**(71,622)**	**47,582**

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 2017

	NOTE	2017 $000	2016 $000
Cash Flows from Operating Activities			
Payments for administration and corporate expenses		(630)	(461)
Payments for exploration and evaluation expenses		(1,000)	(968)
Payments for staff costs		(406)	(609)
Interest received		27	25
Other revenue		94	159
Net cash flows used in operating activities	21	**(1,915)**	**(1,854)**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		-	(2)
Proceeds from refund of deposit		-	40
Proceeds from joint arrangements		-	38
Net cash flows used in investing activities		**-**	**76**
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,300	2,005
Payments for share issue cost		(147)	(132)
Net cash flows generated from financing activities		**2,153**	**1,873**
Net increase in cash and cash equivalents		238	95
Cash and cash equivalents at beginning of financial year		2,227	2,132
Cash and cash equivalents at end of financial year	8	**2,465**	**2,227**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Ironbark Zinc Limited ('Ironbark' or the 'Company') for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of Directors on 21 September 2017. The Directors have the power to amend and reissue the financial statements.

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 (ASX), limited by shares, incorporated and domiciled in Australia.

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 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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

(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 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 13 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) *Project valuation*

The Company assessed the carrying value of its exploration expenditure on the Citronen project for indicators of impairment and concluded that impairment testing of the project was not required.

The Directors have determined to maintain the value of the Citronen project at fair value. This value was based on comparable companies involving zinc projects, of which, the various information and assumptions have been obtained from the announcements platform of listed stock exchanges (eg ASX), and the relevant company's website.

The fair value was determined on a review of comparable companies involving zinc projects. The review of these companies include considering particular distinguishing characteristics, such as the size and grade of the resource, its location and stage of development.

There is a risk that the information and assumptions used in the valuation and changes in prevailing market conditions could affect the project value, as this requires judgement.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

(v) *Fair value measurement hierarchy*

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

It is considered that the Citronen project which has been valued at fair value has utilised a valuation methodology that falls within Level 3 of the hierarchy. The valuation technique applied to measure fair value is considered to be a market approach. This methodology makes an assessment of comparable companies involving zinc projects. This methodology utilises a combination of observable and unobservable inputs.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ironbark as at 30 June 2017 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 Consolidated Entity.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. 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 10 to the financial statements.

c. 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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

d. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operation recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group’s consolidated financial statements only to the extent of the other parties’ interest in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

e. Impairment

(i) 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

(ii) *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 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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 year in which they are incurred.

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%

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

(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

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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 measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

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) 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 the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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. 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. 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 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n. Revenue and Other Income

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured.

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

o. 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.

p. Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Collectibility of receivables 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.

q. 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.

r. Contributed Equity

Ordinary shares are classified as equity.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

s. 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 (j) (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 (j) (iii) available for sale financial assets.

t. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

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. Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

w. Comparative Figures

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

x. Rounding of Amounts

The Company has applied the relief available to it under ASIC Class Order 2016/91 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 2017 (cont)

y. Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

2. OTHER REVENUE

	2017 $000	2016 $000
Operating activities		
- Interest received	27	25
- Cost recoveries	115	115
- Equipment hire	-	11
Total Other Revenue	142	151

3. LOSS BEFORE INCOME TAX EXPENSES

Losses before income tax have been arrived after charging the following items:

	2017 $000	2016 $000
Occupancy costs	32	112
Employee benefits expense	439	294
Superannuation expenses	79	43
Equity-settled compensation benefits		
- Gross	-	202
- Less capitalised E & E	-	-
	-	202
Depreciation of non-current assets		
- plant & equipment	1	7
Exploration expenditure impairment	235	90

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

4. INCOME TAX BENEFIT

	2017 $000	2016 $000
a. The components of tax benefit comprise:		
Current tax	-	-
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 27.5% (2016: 28.5%)	(454)	(340)
Add:		
Tax effect of:		
- Other non-allowance items	49	-
- Share based payments	131	58
- Provisions and accruals	-	-
- Revaluation of shares	-	-
- Exploration, evaluation and development expenditure	52	-
- Revenue losses not recognised	268	306
	500	364
Less:		
- Provisions and accruals	10	6
- Exploration, evaluation and development expenditure	36	18
	46	24
Income tax benefit attributable to entity	-	-
The applicable average weighted tax rates are	-	-

c. As at the date of this report, the potential refundable tax offset for the reporting period ended 30 June 2017 has not been determined.

The corporate tax rate in Australia was changed from 28.5% to 27.5% with effect from 1 July 2016. This revised rate has not impacted the current tax asset for the current year but will do so in future periods. However, the impact of the change in tax rate has been taken into account in the measurement of deferred taxes at the end of the reporting period. The effect of this change in tax rate on deferred taxes has been disclosed in the reconciliation of deferred taxes below.

	2017 $000	2016 $000
d. The following deferred tax balances have not been recognised:		
Deferred Tax Assets:		
At 27.5% (2016: 28.5%)		
Carried forward revenue losses	2,594	2,410
Carried forward capital losses	40	41
Provisions and accruals	52	65
Property, plant and equipment	2	2
Investments	6	6
	2,694	2,524

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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:	**2017**	**2016**
At 27.5% (2016: 28.5%)	**$000**	**$000**
Exploration, evaluation and development expenditure	339	342
Investments	-	-
	339	342

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.

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
David Kelly	Non Executive Director
Gary Comb	Non Executive Director
Jason Dunning	Non Executive Director
Robert Orr	Chief Financial Officer and Company Secretary

b. Key management personnel compensation

	2017	**2016**
The key management personnel compensation comprised:		
Short term employment benefits	423,827	767,257
Post-employment benefits	35,984	63,800
Equity compensation payments	319,642	174,422
	779,453	1,005,479

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

6. AUDITORS' REMUNERATION

	2017	**2016**
During the financial year the following fees were paid or payable for services provided by PKF Mack, the auditor of the Group:		
Audit or review of financial statements	40,141	38,000
Preparation of tax return	4,300	5,000
	44,441	43,000

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

7. LOSS PER SHARE

		2017 $000	2016 $000
a.	Loss used to calculate basic and dilutive EPS	(1,651)	(1,193)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	519,966,033	456,381,902

There are 19,000,000 share options excluded from the calculation of diluted earnings per share (that could potentially dilute basic earnings per share in the future) because they are anti-dilutive for each of the years presented.

8. CASH AND CASH EQUIVALENTS

	2017 $000	2016 $000
Cash at bank and in hand	615	1,827
Short term bank deposits	1,850	400
	2,465	2,227

The effective interest rate on short-term bank deposits was 1.13% (2016: 1.75%); these deposits have an average maturity of 90 days.

Reconciliation of cash

	2017 $000	2016 $000
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:		
Cash and cash equivalents	2,465	2,227

9. TRADE AND OTHER RECEIVABLES

	2017 $000	2016 $000
Current		
GST receivable	16	23
Other receivables	5	-
Amounts receivable from		
- Other related parties	19	5
Total trade and receivables	40	28

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 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 Risk Management for further details.

**NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)**

10. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2017 %	Percentage owned 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 (a)	100	-
Ironbark A/S	Greenland (b)	100	-

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

b) 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'.

11. PLANT & EQUIPMENT

	2017 $000	2016 $000
Plant and equipment:		
At cost	13	13
Accumulated depreciation	(11)	(10)
Total plant and equipment	2	3

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 2015	32
Additions	2
Disposals	(24)
Depreciation expense	(7)
Balance at 30 June 2016	3
Additions	-
Disposals	-
Depreciation expense	(1)
Balance at 30 June 2017	2

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

12. OTHER ASSETS

	2017 $000	2016 $000
Current		
Prepayments	13	12
	13	12
Non-current		
Environmental bond	70	70
Term deposit for credit card	40	40
	110	110
Total other assets	123	122

13. EXPLORATION AND EVALUATION EXPENDITURE

	2017 $000	2016 $000
Exploration expenditure capitalised - exploration and evaluation	45,477	43,977
Movement in carrying value:		
Brought forward	43,977	43,132
Exploration expenditure capitalised during the year	1,021	935
Foreign exchange movement on translation	714	-
Impairment on exploration expenditure	(235)	(90)
At reporting date	45,477	43,977

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.

The Consolidated Entity has assessed the carrying amount of the exploration and evaluation expenditure in accordance with AASB 6 Exploration and Evaluation of Mineral Resources and has recognised an impairment expense of $235,391 (2016: $89,858) which is included under "exploration expenditure" in the statement of profit or loss and other comprehensive income. The majority of this impairment expense recognised is attributable to the Consolidated Entity's Belara, Fiery Creek, Mestervig and Washington land project's which were conservatively written down. As part of the above review the Company assessed the carrying value of its exploration expenditure on the Citronen project and concluded that there were no indicators of impairment in relation to the value of this project. It was determined to maintain the value of the project at fair value.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

14. INTERESTS IN JOINT OPERATIONS

The Company has a material joint operation Captains Flat tenement in Australia. The Company has a 50% (2016: 50%) share in the tenement lease which is jointly owned with NSW Base Metals Pty Ltd ("NSW Base Metals"). The Company has classified this as a joint arrangement because under the terms of the arrangement, NSW Base Metals and the Company share the ownership of the asset. The tenements expenditure commitments are jointly funded by NSW Base Metals and the Company.

15. TRADE AND OTHER PAYABLES

	2017 $000	2016 $000
Trade payables	89	5
Sundry payables and accrued expenses	305	302
	394	307

Refer to note 25 Financial Risk Management for further details.

16. PROVISIONS

	2017 $000	2016 $000
Employee benefits		
Annual leave	92	80
Long service leave	39	81
	131	161

	Employee benefits $000
Opening balance at 1 July 2016	161
Decrease of provision	(30)
Balance at 30 June 2017	131

17. ISSUED CAPITAL

	2017 $000	2016 $000
539,425,912 (2016: 505,875,609) fully paid ordinary shares	120,523	117,748
Less: capital raising costs	(3,344)	(3,197)
	117,179	114,551

a. Ordinary shares

	2017 No.	2016 No.
At the beginning of reporting period	505,875,609	443,203,734
Shares issued during the year	33,550,303	62,671,875
At reporting date	539,425,912	505,875,609

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

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.

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. 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

Share based payment reserve

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

	2017 $000	2016 $000
Reserve at beginning of financial year	1,346	1,388
Lapse of options on expiry	(37)	(42)
Reserve at end of financial year	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.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

	2017 $000	2016 $000
Reserve at beginning of financial year	-	-
Exchange differences arising on translating the foreign operations	716	-
Reserve at end of financial year	716	-

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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.

Capital expenditure commitments contracted for exploration and evaluation expenditure payable for each of the Company's tenements are listed below:

		2017		2016	
Project	**Licence**	Within one year $000	Later than one year but no later than five years $000	Within one year $000	Later than one year but no later than five years $000
Australian Projects					
Captains Flat	EL6381	300	-	38	150
Fiery Creek	EL6925	265	-	60	306
Fiery Creek North	EL8107	75	-	35	75
Greenland Projects					
Citronen	2007/31	-	1,439	-	-
Citronen	2010/47	-	440	-	536
Mestersvig	2007/32	-	1,439	-	-
Mestersvig	2011/28	-	270	-	270
Mestersvig	2016/22	43	370	-	351
Washington Land	2007/33	-	1,123	-	-
Total commitments		683	5,081	133	1,688

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 2017 (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.

2017		**Australia $000**	**Greenland $000**	**Total $000**
(i)	**Segment performance**			
	For the year ended 30 June 2017			
	Revenue			
	Unallocated items:			
	Interest revenue			27
	Cost recoveries			115
	Other revenue			-
	Total segment revenue			142
	Reconciliation of segment result to group net profit/(loss) before tax			
	Amounts not included in segment result but reviewed by the Board:			
	Exploration expenditure impairment	(186)	(49)	(235)
	Unallocated items:			
	Other expenses			(1,558)
	Net loss before tax			(1,651)
(ii)	**Segment assets**			
	As at 30 June 2017			
	Segment assets at 1 July 2016	1,212	42,835	44,047
	Segment asset increase/(decrease) for the period:			
	Exploration expenditure	21	1,480	1,501
	Financial assets	-	100	100
		1,233	44,415	45,648
	Reconciliation of segment assets to group assets			
	Unallocated assets:			
	Cash and cash equivalents			2,365
	Trade and other receivables			40
	Plant and equipment			2
	Other assets			52
	Total group assets			48,107
(iii)	**Segment liabilities**			
	As at 30 June 2017			
	Reconciliation of segment liabilities to group liabilities			
	Other liabilities	-	24	24
		-	24	24
	Unallocated Items:			
	Other liabilities			501
	Total group liabilities			525

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

2016	**Australia $000**	**Greenland $000**	**Total $000**
(i) Segment performance			
For the year ended 30 June 2016			
Revenue			
Unallocated items:			
Interest revenue			25
Cost recoveries			115
Other revenue			11
Total segment revenue			151
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Exploration expenditure impairment	-	(90)	(90)
Unallocated items:			
Other expenses			(1,254)
Net loss before tax			(1,193)
(ii) Segment assets			
As at 30 June 2016			
Segment assets at 1 July 2015	1,098	42,140	43,238
Segment asset increase/(decrease) for the period:			
Exploration expenditure	152	693	845
Trade and other receivables	(38)	-	(38)
Other asset	-	2	2
	1,212	42,835	44,047
Reconciliation of segment assets to group assets			
Unallocated assets:			
Cash and cash equivalents			2,227
Trade and other receivables			28
Plant and equipment			3
Other assets			52
Total group assets			46,357
(iii) Segment liabilities			
As at 30 June 2016			
Reconciliation of segment liabilities to group liabilities			
Other liabilities	-	13	13
	-	13	13
Unallocated Items:			
Other liabilities			455
Total group liabilities			468

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

Segment analysis by geographical region	**Non-current assets**	
	2017	**2016**
	$000	**$000**
Australia	1,274	1,254
Greenland	44,315	42,836
	45,589	44,090

21. CASH FLOW INFORMATION

	2017	**2016**
	$000	**$000**
Reconciliation of cash flow from operations with loss after income tax		
Net loss for the year	(1,651)	(1,193)
Non cash flows in loss		
Depreciation	1	7
Loss on extinguishment of financial liability	144	-
Equity based payments	331	202
Fair value movement available-for-sale financial assets	-	12
Foreign currency translation movement	716	-
Realised loss on disposal of fixed assets	-	24
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in exploration and evaluation expenditure	(1,500)	(878)
(Increase)/decrease in trade and term receivables	(12)	25
(Increase)/decrease in prepayments	(2)	10
Increase/(decrease) in trade payables and accruals	87	(19)
Increase/(decrease) in provisions	(29)	(44)
Cash flow from operations	(1,915)	(1,854)

22. SHARE BASED PAYMENTS

SHARE OPTIONS

The following share-based option payment arrangements existed at 30 June 2017.

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

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Issue to Key Management Personnel	**No**	**$**	**No**	**$**
Outstanding at the beginning of the year	14,000,000	0.13	15,000,000	0.13
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired/(cancelled) (a)	(1,000,000)	0.10	(1,000,000)	0.13
Outstanding at year end	-	-	14,000,000	0.13
Exercisable at year end	13,000,000	0.133	14,000,000	0.13
Issue to other employees				
Outstanding at the beginning of the year	1,000,000	0.133	1,000,000	0.133
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	1,000,000	0.133	1,000,000	0.133
Exercisable at year end	1,000,000	0.133	1,000,000	0.133
Issue to consultants				
Outstanding at the beginning of the year	5,000,000	0.30	5,000,000	0.30
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	5,000,000	0.30	5,000,000	0.30
Exercisable at year end	5,000,000	0.30	5,000,000	0.30

a) On 18 December 2016 1,000,000 unlisted share options with an exercise price of $0.10 issued to Mr Comb lapsed. On 10 October 2015 Mr Byass resigned and his option holding was cancelled in accordance with the terms of the options.

The options outstanding at 30 June 2017 had a weighted average exercise price of $0.18 (2016: $0.17) and a weighted average remaining contractual life of 0.42 years (2016 1.37 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.	Number Vested No.	Grant Date	Expiry Date	Exercise Price $	Fair Value at Grant Date $
(i) Consultants	5,000,000	5,000,000	24/01/2012	31/12/2017	0.30	0.143
(ii) Key management personnel	14,000,000	14,000,000	20/11/2014	20/11/2017	0.133	0.0423
(iii) Other employees	1,000,000	1,000,000	20/11/2014	20/11/2017	0.133	0.0423

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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)**
Grant date share price	$0.24	$0.09	$0.09
Exercise price	$0.30	$0.133	$0.133
Expected volatility	69%	85.79%	85.79%
Option life	5 years	3 years	3 years
Risk-free interest rate	3.57%	2.57%	2.57%

SHARES - ORDINARY

During the financial period in an effort to reduce Company cash expenditure it was agreed that key personnel and other employees would be paid a portion of their cash-based remuneration in Company shares instead of cash. The shares will be issued subject to shareholder approval at the Company's AGM, in the event that approval is not obtained the remuneration will be paid in cash. The number of shares allotted to each personnel will be calculated based on the value of the share based entitlement divided by the deemed market issue price of the Company shares on issue date (based on a 5 day ASX volume weighted average price (VWAP)).

The value of each share based payment issued to personnel (as approved by shareholders at the AGM held on 25 November 2016) is as follows:

Recipient	**Share Based Payments** **$**
2016	
Mr Peter Bennetto	79,018
Mr Jonathan Downes	39,450
Mr Gary Comb	52,298
Mr Robert Orr	36,285
Other staff	28,292
	235,343

23. RELATED PARTY DISCLOSURES

i. The ultimate parent entity in the Group is Ironbark Zinc Limited.
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.
iii. There were no loans to key management personnel 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.

Related entity receivables/payables

Receivables
The Company charged Corazon Mining Limited ("Corazon") for shared office and salary expenses. The total charged for the financial year ended 30 June 2017 was $31,410 (2016: $53,451). At reporting date the balance for outstanding receivables owing by Corazon was $4,429.

Corazon is a related parties due to Mr Downes directorship interest in Corazon.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

Wholly owned group transactions/balances

The following intercompany loans were in existence at reporting date:

Balance of loans provided from Parent entity at financial year end	
Ironbark A/S	$43,626,081 (2016: NIL)
Ironbark Aust Pty Ltd	$100,415 (2016: NIL)
Dr Evil Pty Ltd	$146,271 (2016: $146,271) (a)
Ironbark Zinc Pty Ltd	$25,458 (2016: $25,458) (a)

(a) These intercompany loans have been fully impaired at reporting date.

24. EVENTS AFTER THE REPORTING DATE

No further matters or circumstances other than matters listed above 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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

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

a) 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.

b) 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.

The Group holds the following financial instruments:

	2017 $000	2016 $000
Financial assets:		
Cash and cash equivalents	2,465	2,227
Receivables	40	28
Other assets	110	110
Total financial assets	2,615	2,365
Financial liabilities:		
Trade and sundry payables	394	307
Total financial liabilities	394	307
	2,221	2,058
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	394	307

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

iii. Fair value

Trade Receivables and Payables

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

v. 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 2017, 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:

Monetary items exposed to interest rate fluctuations at reporting date	2017 $000	2016 $000
Cash and cash equivalents	1,850	400
Other assets	100	100
Trade and other creditors	(8)	(9)
	1,942	491

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:

	2017 $000	2016 $000
Change in profit		
Increase in interest rate by 1% (100 basis points)	19	5
Decrease in interest rate by 1% (100 basis points)	(19)	(5)
Change in equity		
Increase in interest rate by 1% (100 basis points)	19	5
Decrease in interest rate by 1% (100 basis points)	(19)	(5)

Foreign Currency Risk Sensitivity Analysis

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2017	2016	2017	2016
Consolidated	000	000	000	000
DKK	813	313	-	-

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (cont)

At 30 June 2017, 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:

	2017 $000	2016 $000
Change in profit		
Improvement in AUD to DKK by 10%	(15)	(6)
Decline in AUD to DKK by 10%	18	7
Change in equity		
Improvement in AUD to DKK by 10%	(15)	(6)
Decline in AUD to DKK by 10%	18	7

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
FINANCIAL ASSETS	**2017 %**	**2016 %**	**2017 $000**	**2016 $000**	**2017 $000**	**2016 $000**
Cash at bank & on hand	1.5%	0.40%	1,850	400	615	1,827
Receivables		-	-	-	40	28
Other assets	1.11%	1.01%	100	100	10	10
Total financial assets			1,950	500	665	1,865
FINANCIAL LIABILITIES						
Payables	15.5%	0.43%	8	9	386	299
Total financial liabilities			8	9	386	299

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
The current office sub-lease on the premises at Level 1, 329 Hay Street, Subiaco WA is renewed monthly.

China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC)
On 24 January 2017 the Company announced the 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. The agreement requires a US$600,000 contribution payable 50% in shares and 50 % cash (with US$400,000 remaining due; US$300,000 in shares and US$100,000 cash) by the Company for works associated with the Feasibility Study Optimisation Report being orchestrated by NFC.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (cont)

27. PARENT ENTITY DISCLOSURES

	2017 $000	2016 $000
Financial position		
Assets		
Current assets	2,418	2,266
Non-current assets	45,062	44,091
Total assets	47,480	46,357
Liabilities		
Current liabilities	526	468
Total liabilities	526	468
Net assets	46,954	45,889
Equity		
Issued capital	117,179	114,551
Share based payments reserve	1,309	1,346
Accumulated losses	(71,534)	(70,008)
Total equity	46,954	45,889
Financial performance		
Loss for the year	(1,563)	(1,193)
Other comprehensive income/(loss)	-	-
Total comprehensive loss	(1,563)	(1,193)

Commitments
The commitments of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 26).

Contingent assets, contingent liabilities and guarantees
The contingent assets, contingent liabilities and guarantees of the Parent Entity are consistent with that of the Consolidated Entity (refer to note 29).

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, other than the business lending bank guarantees of $40,000.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (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 2017, 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
Level 1
329 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 2017 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:

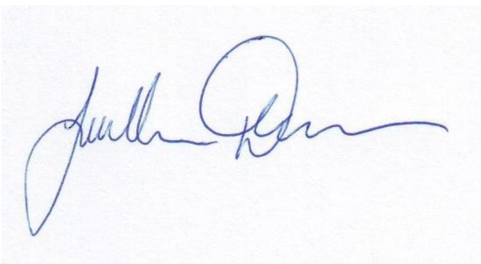
a) the financial records of the Company for the financial year have been properly maintained in accordance with section 295A of the *Corporations Act 2001*;

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 21 September 2017

PKF MACK
Accounting, Financial and Business Advisory

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IRONBARK ZINC LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Ironbark Zinc Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

a) The financial report of Ironbark Zinc Limited 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 2017 and of its performance for the year ended on that date; and

   ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

PKF Mack
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Carrying value of capitalised exploration expenditure

Why significant	How our audit addressed the key audit matter

As at 30 June 2017 the carrying value of exploration and evaluation assets was $45,477,032 (2016: $43,977,059), as disclosed in Note 13.This represents 94.5% of total assets of the consolidated entity.
 	
The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1c and in relation to significant accounting estimates, judgments and assumptions is outlined in Note 1a (ii) and (iv). Significant judgement is required:
 	
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  o whether the particular areas of interest meet the recognition conditions for an asset; and
  o which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	Our work included, but was not limited to, the following procedures:
	
	• conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
	  o assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
	  o holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
	  o obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
	• assessing the appropriateness of the related disclosures in Notes 1a(ii), 1a(iv), 1c, and 13.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report, Additional Information for Listed Public Companies, Schedule of Interests in Mining Tenements and Corporate Governance Statement. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities 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 Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Ironbark Zinc Limited for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

PKF Mack

PKF MACK

SHANE CROSS
PARTNER

21 SEPTEMBER 2017
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
539,425,912 fully paid shares are held by 2,008 individual shareholders as at 15 September 2017.
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
19,000,000 options are held by 6 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	123	-
1,001 – 5,000	177	-
5,001 – 10,000	226	-
10,001 – 100,000	918	-
100,001 – and over	564	6
	2,008	6

Substantial shareholders

	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
NYRSTAR INTNL BV	97,690,702	18.11%
SINGPAC INV HLDG PTE LTD	42,110,593	7.81%

Largest shareholders — ordinary shares

A record of the 20 largest shareholders as at 15 September 2017 is as follows:-

	Ordinary shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Capital
1	NYRSTAR INTNL BV	97,690,702	18.11%
2	SINGPAC INV HLDG PTE LTD	29,610,593	5.49%
3	TORONGA PL	15,000,000	2.78%
4	FOGARTY CAIN JORDAN	14,500,000	2.69%
5	SINGPAC INV HLDG PTE LTD	12,500,000	2.32%
6	RAMCO INV PL	11,429,456	2.12%
7	CITICORP NOM PL	10,733,232	1.99%
8	KUMAR MILIND RAJENDRA	10,343,434	1.92%
9	DULYNE PL	10,000,000	1.85%
10	KANGATHARAN RAM SHANKER	6,480,000	1.20%
11	VALIANT EQUITY MGNT PL	5,000,000	0.93%
12	BEDFORD RES HLDGS LTD	4,000,000	0.74%
13	J P MORGAN NOM AUST LTD	3,967,179	0.74%
14	STEINHARDT TREVOR RONALD	3,902,000	0.72%
15	DOWNES JONATHAN CHARLES	3,658,704	0.68%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

16	STRONG NIGEL ROBERT	3,653,330	0.68%
17	HSBC CUSTODY NOMINEES AUST LTD	3,067,906	0.57%
18	DOWNES JONATHAN C + K	3,036,296	0.56%
19	GRAY STEPHEN FRANCIS	3,000,000	0.56%
20	BEGA CONS & INV PL	3,000,000	0.56%
	TOP 20 TOTAL	254,572,832	47.21%

Unquoted equity security holdings greater than 20%

	Number of Options Held	% Held of Options in an unquoted class
Option exercisable at $0.30, expire at 31/12/2017	5,000,000	100%
1. BW Equities Pty Ltd		
Option exercisable at $0.133, expire at 20/11/2017		
1. G Campbell	4,000,000	27%
2. J Downes	6,000,000	40%

Company Secretary
Mr Robert Orr

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Level 1, 329 Hay Street,
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Share Registry
Security Transfer Registrars
770 Canning Highway,
APPLECROSS, WA 6153.
Telephone +61 (0) 8 9315 2333

SCHEDULE OF INTERESTS IN MINING TENEMENTS

	Project	Tenement Number	Location of tenements	% of interest
1	Captains Flat (In Joint Venture with Glencore)	EL6381	New South Wales	50%
2	Fiery Creek	EL6925, EL8107	New South Wales	100%
3	Citronen	2016/30 (exploitation Lic), 2007/31, 2010/47	Greenland	100%
4	Mestersvig	2007/32, 2011/28,2016/22	Greenland	100%
5	Washington Land	2007/33	Greenland	100%

Ironbarks Mineral Resources and Reserves (MROR) Statement

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

Competent Persons Statement

The information included in this report that relates to Exploration Results & Mineral Resources is based on information compiled by Mr Jonathan Downes (B. Sc, MAIG) and Ms Elizabeth Laursen (B. ESc Hons (Geol), MSEG, MAIG, GradDipAppFin), both employees of Ironbark Zinc Limited. Mr Downes and 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. Mr Downes and 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

Mr Downes and Ms Laursen are employees of Ironbark Zinc Limited and currently hold securities in the company.

The MROR was updated in the year ended 30 June 2015. Ironbark announced to the ASX on 25 November 2014 information pertaining to the exploration and mineral resource estimates of the Citronen Base Metals Project in accordance with ASX Listing Rule 5.8 and compliance with the 2012 JORC Code.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

A review of factors was conducted which may affect the MROR. These examined included;

- Sovereign risk
- Commodity prices
- Processing or metallurgical understanding
- Environmental or mineability setting
- Standing of consultants/contractors/technology used in estimation process.

Further details relating to the resource can be found on the release lodged with the ASX on 25 November 2014. Table 1 of the release provides full details on the data collection, interpolation and estimation parameters used in the calculation of this statement.

Ironbark is not aware of any new information or data that materially affects the information included in this report, and Ironbark confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this report continue to apply and have not materially changed.

Summary of governance and controls

Ironbark employs professional technical personnel who oversee exploration and data gathering on site. These personnel are also involved with assisting independent consultants and contractors used in the data gathering and estimation processes which produce the MROR Statement.

Ironbark employs qualified geoscientists (geologists) registered with relevant national professional bodies to conduct work required with the preparation and publication of MROR statements. Independent contractors and consultants are used in the calculation of mineral resources. Work is also conducted by different organisations and results have historically been compared as checks on publicly reported information. Internal controls ensure that multiple geologists are involved in the planning, implementation, data gathering, interpretation of results. Sample data is checked on site using portable assay equipment and then despatched to independent certified assay laboratories for assaying. Data was compiled and QA/QC checks completed by database administration consultants. All data gathering is done using standard and acceptable industry practices. Resource estimation is conducted using eternal consultants and contractors who have been present on site during periods of exploration and have witnessed internal practices and procedures. Resource estimates are then reported when they are confirmed by the Competent Person (Ironbark staff member) and released. This is considered acceptable and industry standard practice.

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" 3rd Edition issued by the Australian Securities Exchange ("ASX") Corporate Governance Council, to the extent they are applicable to the Consolidated Entity, have been adopted. The Companies corporate governance policies and procedures are disclosed on the Company web site which can be found on the following link: http://ironbark.gl/corporate/corporate-governance/