

Investor Update

NEWSLETTER

Issue 4 | February 2014

From the Managing Director

With the year well underway, I am pleased to present the latest issue of the Ironbark Zinc Investor Update Newsletter.

The Ironbark team is committed to delivering, as soon as possible, a major mining operation at our world class Citronen Zinc Project in Greenland, and since our last Investor Update significant progress has been made on this front.

A key focus has been obtaining an Exploitation License (Mining License) for the Citronen Project, and further details on this are provided in this Investor Update.

We have also continued to work with the China Nonferrous (NFC) group, under our MoU with NFC, to progress the Engineering-Procurement-Construction (EPC) contract and funding plans for the Citronen project.

The Company has also been evaluating ways to optimise the anticipated costs associated with shipping product from Citronen.

Looking ahead, we see strong potential for improvement in zinc market fundamentals and believe that Ironbark, as a near-term development company, is well placed to benefit from this upward swing. Details on the zinc market outlook are included in this Investor Update.

At Ironbark's other projects, we have progressed existing exploration and development programs designed to identify economic resources.

We have also continued to explore business development opportunities via the Company's US\$50 million mergers and acquisition funding facility provided by Glencore, and this process remains ongoing.

I am pleased to report that Ironbark remains in a sound financial position, and that we remain focused on delivering value to you, our shareholders, through achieving our goal of building a globally significant base metals mining house.

I look forward to sharing news of our progress with you in the year ahead.

Jonathan Downes
Managing Director
Ironbark Zinc

In this issue

- Progress towards grant of Mining License at Citronen Zinc Project
- Ironbark presents at China Mining Conference
- Positive outlook for zinc market
- Company maintains solid financial position
- Exploration progress at Australian projects

Investment Highlights

- ✓ Well-funded company with high calibre, production-focused board and management team
- ✓ Lead asset is the 100% owned, globally significant Citronen Zinc Project in Greenland
- ✓ Citronen Project hosts **>13 billion pounds of zinc and lead** and has a current JORC resource of **71.0Mt @ 5.7% zinc + lead**
- ✓ Ironbark progressing towards grant of Mining License for Citronen Project
- ✓ Strong and supportive partners: Glencore International AG, Nyrstar NV and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC)
- ✓ US\$50M Funding Facility with Glencore to drive expansion plans

"Ironbark is an emerging leader amongst Australia's mineral resource companies, focused on delivering shareholder value through the development of a major base metal mining operation in Greenland, and the acquisition of quality base metals projects."

Ironbark Zinc
Building a Base
Metals Mining House



Ironbark's camp at the Citronen Zinc Project in Greenland

Progressing towards Citronen Mining License

Having finalised the project's Feasibility Study, Ironbark is focused on having a Mining License granted for the Citronen Zinc Project.

The Company is pleased to report it has continued to make progress towards having a Mining License granted for the Citronen Zinc Project in Greenland.

Ironbark is currently finalising the Social Impact Assessment (SIA), which is a key component required for a Mining License application. The SIA is designed to detail the benefits the Citronen project will provide Greenland and its people.

Leading European consulting and engineering group, Grontmij, has been engaged to assist with the preparation of the SIA and to manage the public review process which is currently underway.

Ironbark has also submitted a Navigational Safety Investigation (NSI) draft report to the Danish Maritime Authority (DMA) for comment, prior to formal lodgement of the Mining License application. The DMA's comments are currently being addressed by Ironbark, after which the Company will make a second submission.

As part of the Mining License application, once all reports are completed the Company is required to lodge its Environmental Impact Assessment, which includes three years of environmental base line surveys, and Feasibility Study summary – both of which have been completed – in addition to the SIA and NSI with Greenland's Mineral Licence and Safety Authority (previously the Bureau of Minerals and Petroleum or BMP).

Ironbark continues to work in collaboration with the Greenland Government to progress the approvals process for the Citronen Project, and will provide updates on its progress in due course.

Ironbark well placed to benefit from positive outlook for zinc market – see page 3

Ironbark presents at China Mining Conference

Ironbark was invited by Greenland's Mineral Licence and Safety Authority to present the Citronen Zinc Project at the China Mining Conference in Tianjin, in November 2013.

The invitation to speak at this important global conference was an excellent opportunity to present Ironbark and the Citronen Project to a large and influential international audience.

The conference was hosted by the Ministry of Land Resources, Tianjin Municipal Government and China Mining Association and is one of the world's largest mineral investment, cooperation and trading events.

At the conference, Ironbark's managing director, Jonathan Downes, held discussions with Greenland's new Minister for Mining, Mr Jens-Erik Kirkegaard. After the conference, further meetings were held in Beijing, between NFC and the Minister and his department representatives, and also between NFC and Ironbark's infrastructure engineering firm, MT Hojgaard to collaborate on the development of Citronen.

Positive outlook for zinc market

Ironbark's continued focus on the development of its Citronen Project sees it well placed to benefit from the forecast strengthening of the zinc market.

Ironbark is increasingly confident that the zinc market's supply and demand fundamentals are likely to result in a period of strong growth in the zinc price; a view shared by a number of metals forecasting groups.

Ironbark is now the sole ASX-listed company offering significant exposure to zinc and, given the advanced stage of the Citronen Project, it compares very favourably against its peer group.

In addition, merger and acquisition activity in the zinc sector, highlighted by the recent \$269 million cash acquisition of Perilya Ltd by Chinese group Zhongjin Lingnan, has further strengthened Ironbark's position as the leading pure zinc play on the ASX.

Factors impacting the forecast zinc supply-demand imbalance include:

- Increasing zinc demand, which rose by ~7.6% across 2013*
- Major mine closures (including the Brunswick and Perseverance mines in Canada) and looming closures outweigh new mine developments
- Declining mine head-grades as deposits are mined-out
- London Metal Exchange (the largest global zinc warehouse) reported an almost 30% drop in warehouse zinc levels over the past 12 months
- Zinc is the world's fourth most used metal and has no real substitute

The outlook for the zinc market has attracted increased media attention, and recent press articles on Ironbark and the zinc sector can be found at the Company's website, www.ironbark.gl.

*Source: International Lead and Zinc Study Group (data for first 11 months of 2013)



Graph: London Metal Exchange zinc stock levels, Feb 2013 – Jan 2014.



Top: On-site at the Citronen Zinc Project. **Middle:** Drill core from Citronen. **Bottom:** Drilling at the Citronen Project.

Ironbark maintains sound financial position

Despite continued challenging conditions in investment markets, Ironbark has maintained a strong financial position.

At the end of 2013, the Company held cash reserves of approximately \$3.2 million, and zero debt.

In the September 2013 quarter, the Company conducted a capital raise via a placement, raising \$2.2 million to support its ongoing work at the Citronen Zinc Project and its other assets in Greenland and Australia. Leading broking house Hartleys Limited was broker to the Offer. The Company was pleased with the support of its existing shareholders and also from new investors who participated in the capital raise.

Ironbark is also pleased to report it is continuing to explore business development and acquisition opportunities through its US\$50M mergers and acquisition funding facility provided by Glencore.

Exploration at Australian projects

Ironbark has continued its Australian project exploration programs over the past year, with good success.

Peakview Base Metals Project

The Company reported high grade copper and gold rock chip results from its 100% owned Peakview Project in New South Wales. The results came from 54 rock chip samples taken from more than 7 kilometres of historic workings.

Highlight results included

- **Gold** 253.0 g/t, 94.8 g/t, 91.5 g/t and 53.4 g/t
- **Copper** 14.9%, 7.6% and 6.6%

Close to 85% of samples reported grades >1 g/t gold and the average grade of all rock chip samples was 17.15 g/t gold, confirming the high tenor of the historic workings.

Ironbark was delighted with these results and the extensive strike length from which they were taken, and considers there is strong potential for the area to host economic grade mineralisation.

Captains Flat Base Metals Project

Drilling was conducted at the Captains Flat Project, in New South Wales, to test an electromagnetic (EM) conductor at the Jerangle Prospect.

Drilling was successful in intercepting several zones of mineralisation and broad sulphide mineralisation was encountered (in drill hole JRDD1201).

Highlight results included

- 2.6 metres @ 10 g/t silver, 0.2% copper and 6.0% lead+zinc
- 5.0 metres @ 4.2 g/t silver, 0.13% copper and 4.6% lead+zinc
- 9.9 metres @ 5.7 g/t silver and 0.45% copper

The broad nature of the sulphide mineralisation identified was encouraging and indicates a large scale mineralised system may be present.

The Captains Flat Project is a joint venture between Ironbark and Glencore subsidiary, NSW Base Metals Pty Ltd (NSWBM), and Forge Resources Limited.

Ironbark Resource Centre

Further information on Ironbark's activities, including the Company's 2013 Annual Report and the latest Company Presentation, is available from Ironbark's new website, at www.ironbark.gl.

Capital Structure

ASX code	IBG
Ordinary shares on issue	413.5M
Market capitalisation (@ 20 Feb14)	\$26.05M
Cash position (@ 31 Dec 13)	\$3.2M
52-week trading range (@ 20 Feb 14)	\$0.039 - \$0.087

Board and Management

Peter Bennetto
Non-Executive Chairman

Jonathan Downes
Managing Director

Adrian Byass
Executive Technical Director

Gregory Campbell
Executive Engineering Director

John McConnell
Non-Executive Director

David Kelly
Non-Executive Director

Chris James
Non-Executive Director

Mr Gary Comb
Non-Executive Director

Rob Orr
Chief Financial Officer

Building a World Class Base Metals Mining House

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