

Quarterly Activities Report - Period End 30 September 2013

HIGHLIGHTS

- **Ironbark making strong progress towards the granting of a Mining License for the world class Citronen Zinc Project**
- **China Nonferrous continues advancing the Citronen EPC/financing arrangements under the memorandum of understanding**
- **\$2.2 million raised to continue progress at the Citronen Zinc Project and for exploration activities at the Company's other base metals projects in Greenland and Australia**
- **Recent acquisitions of ASX listed zinc companies has left Ironbark as essentially the last zinc player on the ASX in a strong position to take advantage of zinc market fundamentals**
 - **Increasing global demand for zinc**
 - **20% decline in global zinc stockpiles over the past 6 months**
 - **Draw down on stockpiles to be accelerated by the imminent 2013 closures of the major Brunswick and Perseverance mines in Canada**

Managing Directors Report

Ironbark Zinc Limited (ASX: IBG) ("Ironbark" or "the Company") is pleased to report on its progress towards bringing the world class Citronen Zinc Project ("Citronen") into development and building a globally significant base metals mining house for the period ending 30 September 2013.

Throughout the September quarter, Ironbark has continued to make good progress in securing the grant of an Exploitation License (Mining License) for its flagship Citronen Zinc Project in Greenland. Recently, the Company submitted the Navigational Safety Investigation Report to the Danish Maritime Authority for review, which details the proposed shipping route and methodology for the transport around the proposed mining operation. The submission is an essential part of the statutory approvals that Ironbark requires to complete prior to being granted a Mining License for Citronen. The approvals process is progressing well and the Greenland Government is proving to be a pro-mining and supportive partner in this process.

In addition, Ironbark has engaged Bluewater Shipping to investigate lower than currently planned costs for shipping concepts, routes and marshalling areas for Citronen. Bluewater offers freight solutions by road, rail, sea and air through many offices worldwide as well as providing a solid network of agents and partners, and is a specialist freight forwarder of General Cargo, Reefer Logistics, Energy & Projects, Port Operations, Marine Logistics & the North Atlantic, and Ironbark considers substantial opportunities exist to reduce the operating and logistic expenses at Citronen.

Ironbark's Managing Director, Jonathan Downes, commented;

"We are systematically working towards obtaining project approval and an Exploitation License as we seek to develop the world class Citronen Zinc Project. We are also very pleased to note the significance of the recent grant of a mining license for the US\$2.3 Billion Isua Iron Ore Project owned by London Mining plc which is planning a 15Mtpa iron ore mining operation. Like London Mining Plc, Ironbark has also completed its Feasibility Study and is preparing the final documents for lodgement to support an Exploitation License for Citronen."

Ironbark is confident the combination of factors as detailed below is setting an exciting platform for strong zinc price appreciation:

- Ever increasing zinc demand
- Major mine closures and looming closures outweigh mine developments
- Three quarters of declining London Metal Exchange stockpiles (the largest global zinc warehouse)
- Declining mine head grades
- Long running under-invested commodity despite zinc being the fourth most used metal in the world and it having no substitute (every car and building uses zinc)

The investment environment for zinc has been so hostile that Ironbark now finds itself essentially without any zinc peers on the Australian Securities Exchange (ASX). Ironbark is very well positioned to benefit when the global zinc shortage drives zinc prices higher.

Ironbark also notes the increasing media attention around the zinc market and Ironbark as one of the last remaining zinc players for investors to gain exposure (recent media articles can be found at www.ironbark.gl).

The Ironbark team is committed to its endeavour of delivering a major mining operation as rapidly as possible. The Company is continuing to work with China Nonferrous under the existing Memorandum of Understanding. Ironbark also remains active exploring opportunities to grow the business through utilising the US\$50M Glencore mergers and acquisition funding facility and by continued exploration and development of economic resources within the Company's other exploration licences.

During the Quarter the Company raised a further \$2.2 million to continue to advance Citronen and to ensure that the Company maintained a strong cash balance with no debt. The Board recognises the wider economic environment of the industry and has accordingly continued to enforce significant cost reduction strategies at all levels of the business in order to maintain the best foundation for future share price growth for the forecast imminent improvement of the zinc market.

China Nonferrous Proceeds with Citronen EPC/Financing Under the MOU

During the Quarter Ironbark reported that the Feasibility Study for Citronen was formally presented to China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd ("NFC") in accordance with the Memorandum of Understanding ("MOU").

The MOU is a framework agreement under which NFC has undertaken to provide the following:

- Engineering, procurement and construction (“EPC”) on a fixed price and turnkey basis;
- NFC to facilitate funding of the project development costs from major banks in China for 70% of the EPC contract cost on a turn-key basis (subject to standard terms and acceptability of the banks);
- NFC is provided with an option to purchase up to 20% of Citronen directly on a mutually agreed valuation basis; and
- NFC entering into an offtake agreement for the concentrate products of the Project or a portion thereof.

Having finalised the Feasibility Study on Citronen and, in accordance with the non-binding MOU, Ironbark will work with NFC to establish the development programme for the delivery of Citronen.

Ironbark is delighted that Citronen is continuing to progress towards development despite the current zinc price environment. Ironbark’s partnership with NFC provides a pathway to funding and development of Citronen that minimises shareholder dilution.



Figure 1: Engineers proposed design of the Citronen Zinc-Lead Mine in production

\$2.2 Million Capital Raising

Ironbark was pleased to announce the Company raised \$2.2 million to continue to progress its world class Citronen Zinc Project and exploration on its Greenland and Australian base metal projects. Hartleys Limited was Broker to the Offer. The placement was undertaken in one tranche of approximately 36.7 million shares at 6 cents per share pursuant to Ironbark’s ASX Listing Rule 7.1 capacity.

Cash at 30 September 2013

Cash available to the Company at the end of the September 2013 quarter was approximately \$3.745 million.

Bedford Legal Settlement and Issue of Shares

During the Quarter, the Company was pleased to announce the legal proceeding between Bedford Resources Holdings Ltd (“Bedford”) and Ironbark in relation to a request by Bedford that a nominated person be appointed as a non-executive director of Ironbark has been settled without admission of liability.

Bedford has agreed that the nomination right has been removed and no further right to appoint a director exists and that both parties bear their own legal costs. Ironbark has agreed to issue 4,000,000 fully paid ordinary shares to Bedford.

Subsequently, the Company issued 4,000,000 fully paid ordinary shares as a placement to settle the Bedford legal matter.

End.

For further information please visit Ironbark’s website www.ironbark.qi or contact us:

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Competent Person Statement: *The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Ironbark Zinc Limited. Mr Byass has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appear.*

About Ironbark

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. Ironbark has an undrawn US\$50M funding facility provided by Glencore International AG to expand its project base through acquisition.

Ironbark seeks to build shareholder value through exploration and development of its projects and also seeks to actively expand the project base controlled by Ironbark. The management and board of Ironbark have extensive technical and corporate experience in the minerals sector.

The wholly owned Citronen base metal project currently hosts in excess of 13.1 Billion pounds of zinc (Zn) and lead (Pb).

China Nonferrous Metal Mining (Group) Co. Ltd is currently undertaking engineering work on the Citronen project. The studies are based on an Ordinary Kriging methodology estimated mineral inventory of:

JORC Compliant				
Resource 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	4.7	0.4	5.1
Total	70.8	5.1	0.5	5.7

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

within a larger resource of:

JORC Compliant				
Resource Category	Mt	Zn %	Pb %	Zn+Pb%
Measured	43.1	4.2	0.5	4.7
Indicated	51.2	4.2	0.4	4.7
Inferred	37.7	3.8	0.4	4.2
Total	132.0	4.0	0.4	4.5

Using Ordinary Kriging interpolation and reported at a 2.0% Zn cut-off

“Ironbark is an emerging leader amongst Australia’s mineral resource companies and is dedicated to delivering shareholder value through the development of its major base metal mining operation in Greenland, and the acquisition of quality base metals projects.”
