

Quarterly Activities Report - Period Ending 31 March 2014

HIGHLIGHTS

- **Progress continued towards granting of Mining Licence for the world class Citronen Zinc Project in Greenland**
 - **Ironbark enters into new Memorandum of Understanding (MoU) with China Nonferrous to advance the Citronen EPC/ financing arrangements**
 - **Ironbark is the largest zinc development opportunity on the ASX and is poised to take advantage of strong zinc market supply and demand fundamentals**
-

Managing Director's Report

Ironbark Zinc Limited (ASX: IBG) ("Ironbark" or "the Company") is pleased to report on its activities for the period ending 31 March 2014 as it works towards bringing its world class Citronen Base Metal Project ("Citronen") into development.

Throughout the March quarter, Ironbark continued its progress towards attaining the requisite Exploitation Licence (Mining Licence) for Citronen, as well as entering into a new non-binding Memorandum of Understanding with China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd. (NFC).

The Ironbark team continued its work with NFC, Grontmij and Fednav in conjunction with the relevant Government bodies to progress Citronen and to explore opportunities for optimised shipping concepts, routes and marshalling areas for the Citronen project.

Throughout the quarter, Ironbark remained well funded and focused on its goal of delivering shareholder value through building a globally significant base metals mining house. The ongoing implementation of cost reduction strategies at all levels of the business has kept Ironbark in good standing to reap the benefits of the forecast improvement of the global zinc market.

Ironbark has also continued to explore business development opportunities available through its US\$50M Glencore mergers and acquisition funding facility and is pursuing promising opportunities.

Ironbark is increasingly confident that the zinc market supply and demand fundamentals will continue to create an exciting platform for strong zinc price appreciation. Other factors supporting this view include

- Ongoing increase in zinc demand
- Major mine closures and looming closures outweigh mine developments
- London Metal Exchange (the largest global zinc warehouse) report a 30% drop in its warehouse zinc levels in 2013
- Presently, zinc stock levels have fallen below 800,000 tonnes, representing less than one month's global zinc consumption

- Declining mine zinc head grades
- Zinc is a long running under-invested commodity despite being the fourth most used metal in the world and having no substitute (every car and building uses zinc)
- Metal forecasting companies predicting higher zinc prices in coming years

Ironbark has withstood the hostile market faced by other zinc explorers and miners and has been left without any significant peers on the Australian Securities Exchange (ASX); leaving Ironbark in an advantageous position once the global zinc shortage drives zinc prices higher, as predicted by major metal forecasting companies.

Ironbark enters into new Memorandum of Understanding with China Non-Ferrous

Post the March-quarter, Ironbark was pleased to advise it had entered into a new non-binding Memorandum of Understanding ("MoU") with NFC. The new MoU recognises Ironbark's completion of Citronen's Feasibility Study and heralds a closer relationship between NFC and Ironbark, as well as greater clarity on the future development of Citronen.

The new MoU is an agreement directly between Ironbark and NFC and does not require an intermediary, unlike the former MoU. This represents a significant strengthening in the relationship between Ironbark and NFC.

The MoU is defined based on Ironbark's completion of the Feasibility Study, which was followed by due diligence and site visits by senior NFC personnel. This MoU replaces the previous MoU which was not based on a Feasibility Study or due diligence being conducted.

NFC is one of China's leading construction and engineering groups and builds, owns and operates base metal mines, processing plants and smelters around the world. NFC undertakes international contracted engineering, equipment and labour services and is rated globally as a high-quality engineering house.

Ironbark's Managing Director Jonathan Downes commented on the new MoU, "We are delighted that a group with the expertise and scale of NFC has provided its support and cemented its relationship with Ironbark. The new MoU shows not only support of the Citronen project but comfort with Greenland as a development destination. While the zinc market remains challenging, it faces uniquely positive future opportunities which will provide a strong platform to support the development of Citronen."

Under the new MoU, the framework is established to conduct the following activities:

- NFC to engineer, design, procure, supply, construct, test and commission Citronen on a full turnkey basis;
- NFC to facilitate financing from banks in China to cover 70% of the project costs;
- NFC to have an option to purchase 19.9% of Citronen at a project level;
- NFC to have a right to enter into an off-take agreement for a portion of the concentrate products from Citronen;
- NFC to provide a performance bank guarantee in favour of Ironbark to be released subject to plant performance tests to the satisfaction of Ironbark.

Meetings have taken place between NFC and Greenland's Minister for Mines and department representatives, with a subsequent meeting held between NFC and Ironbark's key infrastructure engineering firm, MT Hojgaard, to collaborate on the development of Citronen. NFC also recently announced it signed a MoU with Greenland Minerals and Energy Limited to form a fully integrated global rare earth supply chain.

Ironbark continues to progress towards the granting of a Mining Licence for the Citronen Zinc Project

Throughout the March quarter, Ironbark continued its work on Citronen's Social Impact Assessment (SIA), a key report required for the application for a Mining Licence, which details the beneficial effects the Citronen mine will have on Greenland and its people.

Ironbark has appointed Grontmij, a leading European consulting and engineering industry company, to assist with the preparation of the SIA and to manage the public review process, which involves significant stakeholder consultation. Grontmij have previous experience preparing these reports and subsequent public consultation processes. The initial stakeholder consultation has been conducted as part of the preparing the document.

Ironbark continued to work through the Danish Maritime Authority's (DMA) comments on the Company's Navigational Safety Investigation (NSI) draft report (required as part of the application for exploitation documentation). A further round of submission will soon be submitted for the DMA's comment prior to formal lodgement.

Once these reports are completed, The Environmental Impact Assessment (which included three years of environmental base line surveys), SIA, NSI and Feasibility Study summary documents will be lodged with the Mineral Resources Authority (MRA) (previously the Bureau of Minerals and Petroleum or BMP) of Greenland as part of the application for exploitation documentation.

Ironbark remains confident that progress will continue to be made through its continued collaboration with the Greenland Government.

"We are pleased to be systematically working towards obtaining project approval as we seek to develop our world class zinc Project," said Managing Director Jonathan Downes

Cash at 31 March 2014

Cash available to the Company at the end of the March 2014 quarter was approximately \$2.7 million.

End.

For further information please visit Ironbark's website www.ironbark.gl or contact us:

Jonathan Downes
Managing Director
T +61 8 6461 6350
E: info@ironbark.gl

James Moses
Mandate Corporate
T +612 8012 7702
E james@mandatecorporate.com.au

Schedule of Tenements (as required by ASX Listing Rule 5.3.3)

IRONBARK ZINC LIMITED CONSOLIDATED BASIS SCHEDULE OF INTERESTS IN MINING TENEMENTS				
Project	Mining tenements held	Location of tenements	Beneficial % interest at end of the quarter	Change in the quarter
Belara	EL6576	New South Wales	100%	
Captains Flat (In Joint Venture with Glencore)	EL6381	New South Wales	37.5%	
Fiery Creek	EL6925 EL8107	New South Wales	100%	
Citronen	EL2007/02 EL2007/31 EL2011/33 EL2010/47	Greenland	100%	
Mestersvig	EL2011/28 EL2007/32	Greenland	100%	
Washington Land	EL2007/33 EL2011/32	Greenland	100%	

About Ironbark

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. Ironbark has an undrawn US\$50M funding facility provided by Glencore 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 – the world class Citronen Project, and the acquisition of quality base metals projects.”

Disclosure Statements and Important Information

Forward Looking Statements

This announcement contains certain statements that may constitute “forward looking statement”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

JORC Code Compliance Statement

Some of the information contained in this announcement is historic data that have not been updated to comply with the 2012 JORC Code. The information referred to in the announcement was prepared and first disclosed under the JORC 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

Competent Persons Statement

The information included in this report that relates 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 that is 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 appears and that the historical information was compliant with the relevant JORC Code, 2004 Edition.

Competent Persons Disclosure

Mr A Byass is an employee of Ironbark Zinc Limited and currently holds securities in the company.