Ironbark Zinc Limited

AND ITS CONTROLLED ENTITIES
(ABN 93 118 751 027)

ANNUAL REPORT

for the financial year ended 30 June 2018

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CORPORATE DIRECTORY

NON EXECUTIVE CHAIRMAN
Peter Bennetto

EXECUTIVE MANAGING DIRECTOR
Jonathan Downes

NON EXECUTIVE DIRECTORS
David Kelly
Gary Comb
Maciej Sciazko

COMPANY SECRETARY
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MANAGING DIRECTOR'S LETTER

Dear Shareholder,

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

Ironbark has continued to advance the 100% owned Citronen Base Metals Project ("Citronen") towards becoming one of the world's largest zinc mines. Citronen hosts over 13 billion pounds of zinc and lead and has an initial projected 14 year mine life, which is defined only by the limits of drilling and has a granted 30 year Mining Licence. One of the most exciting aspects remains the project exceptional exploration potential, highlighting the potential substantial strategic value of Citronen to produce large volumes of zinc for a prolonged period. The Citronen deposit is a rare beast.

Zinc Market

Zinc is one of the most resource constrained commodities in the world and is the fourth most used metal in the world and despite this, it has suffered for years from a lack of investment and exploration. The lack of new sources in zinc has resulted in a changing grade profile (Figure 1).

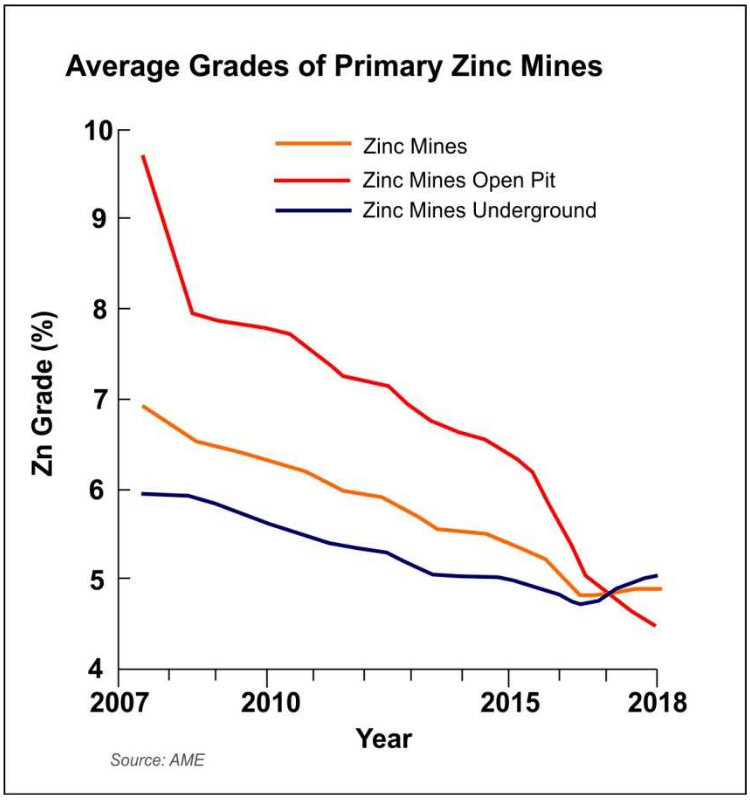

Figure 1: Zinc mine heads grades falling over time.

The average zinc grade from mines that produce zinc as a credit has fallen from 0.55% Zn down to 0.39% Zn from 2007 to 2017. This relatively low grade is testament to the fact that zinc is commonly produced as a by-product credit or a co-product from mining other minerals. Over the same period, as shown in the graph, the zinc grade, from primary zinc mines, has fallen from 6.9% Zn to 4.9% Zn. This compares favourably with the estimated life of mine ore from Citronen of 5.9% Zn (20% above average) from the underground (peaking at 7.8% Zn) in the early years. The proposed development of Citronen also benefits from unit scale advantages due to the size of the operation being much larger that the scale of the average zinc mine.

Towards the year end zinc faced a strong price fall and at the time of writing was trading at approximately US$1.10/lb or US$2424/t. This is a substantial reduction from the year high and is the result of ongoing global concerns over the United States (US) driven trade war. The fundamental supply/demand metrics however remain strong for zinc, with global

MANAGING DIRECTOR'S LETTER (cont)

consumption of zinc running at approximately 270,000 t/week and global stockpiles in the London Metal Exchange (LME) and the Shanghai Futures Exchange (SHFE) combined representing less than this (one weeks global consumption). Despite the tight market conditions, general caution and fear seem to dominate the current pricing environment and may continue while uncertainty surrounds the potential impact to the zinc market by the trade negotiations between the US and China. It is the view of some market commentators that the price reaction seems overdone at this time. This uncertainty is not helpful during Ironbark's financing focus however most financial suitors have a longer term and more sophisticated market view.

Financing

During the course of the year Ironbark moved its focus towards the project financing with the appointment of Cutfield Freeman & Co., (CF&Co) a highly credentialed tier one international financial advisory firm to assist Ironbark structure the financing for the world class Citronen zinc project.

CF&Co is an independent corporate finance house with offices in London, Toronto and Hong Kong providing independent advice to companies in the mining and metals sectors. CF&Co advises on all aspects of corporate, project and offtake-related finance, mergers and acquisitions, and joint ventures. CF&Co has acted on a wide variety of transactions for a range of mining companies including BHP Billiton Ltd, Dynatec Corporation, Molycorp Inc, Zijin Mining Group Co., Anatolia Mineral Development Ltd/Alacer Gold Corporation.

Ironbark's strategy is to minimise the capital costs of the project. The Company is in discussions with parties with regard to contract mining, lease hire and Build Own Operate (BOO) opportunities. Specific key capital items that are potentially open to off balance sheet financing/ownership include the Power Plant, the Mining Fleet, the Processing Plant, the Ship Loader and Marshalling Yard, and the Fuel Farm. These could potentially form part of the project financing by up to US$150M. Some of these plant items may potentially access European Credit Authorities (ECA) funds. Successfully reducing the capital costs in this way would result in a substantially higher Internal Rate of Return for the project.

The collective financing options will be evaluated to form the best possible outcome for shareholders. The financing is likely to include a blend of debt, equity and possibly even partnership or joint venture. All options will have specific pathways and timeframes to reach conclusion and Ironbark is pursing these as fast as is possible. Milestones and updates will be provided to the market as they are achieved.

As part of the financing process Ironbark conducted, subsequent to the end of the financial year, a series of site visits to the Citronen proposed mine site. The primary goal was to take several groups of high calibre potential investors, private equity groups, bankers, equipment suppliers and mining operators to review the project site. Investment criteria for many of the investors include completing site inspections as part of the due diligence process. The agenda for the inspections included an appraisal of drill core selected from the site core library as well as a visit to the areas of outcropping mineralisation (Figure 2) that occur at the Discovery zone over a strike length of 2 kilometres. Investigations were also made of the proposed decline area, tailings dam and various other infrastructure plans (Figure 3). The site visit typically impresses upon the investors the open ended nature of the mineralisation and the Exploration Target of 302- 347 Mt @ 4.4-5.0% zinc + lead (ASX announcement 28 January 2010). The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration completed to date to estimate a Mineral Resource in accordance with the JORC 2012 Edition Guidelines. It is uncertain if further exploration will result in the delineation of a Mineral Resource.

The current resource stands at a favourable 70.8Mt @ 5.7% zinc + lead (3.5% zinc cut-off) against a sub-4% current global average head grade. (Measured 25Mt, Indicated 26.5Mt, Inferred 19.3Mt).

MANAGING DIRECTOR'S LETTER (cont)

Figure 2: Discovery zone mineralisation outcropping over 2km of strike.

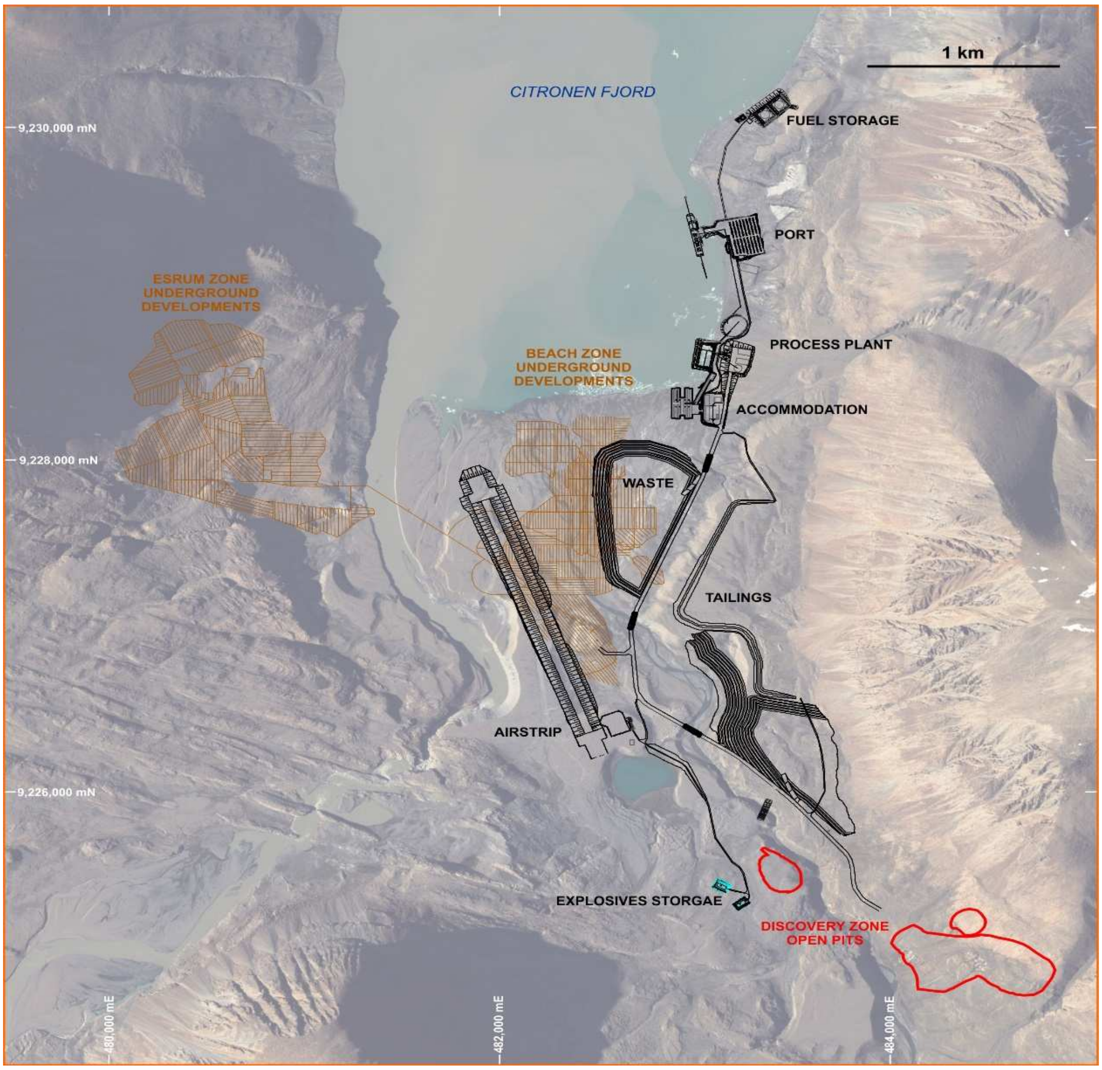

Figure 3: Proposed site layout with inspections of key areas made by the investors.

MANAGING DIRECTOR'S LETTER (cont)

Byrnecut Mining Services Agreement

Ironbark announced, subsequent to the financial year end, that it entered into a Memorandum of Understanding with Byrnecut Offshore Pty Ltd (**"Byrnecut"**).

The agreement provides Ironbark with the extensive international experience in underground hard rock mechanised mining. The role is intended to include underground contract mining services, underground mine cost modelling, providing the underground mining fleet, and includes holding the debt and security of the equipment. Ironbark has commenced work seeking to remove key capital items off the Capital Cost of the Citronen project. Ironbark has identified several further key opportunities to reduce the project Capital Cost. The parties will work towards a more detailed cost based commercial agreement operating under agreed margins through each project stage and will also encompass agreed performance margins. Ironbark is in discussions with other highly regarded groups for the remaining disciplines or to support the project that have the potential to collectively and significantly assist with the overall project financing. Byrnecut will operate under the Greenland Government guidelines and will assist Ironbark achieve its training and employment obligations. A Byrnecut technical representative visited Citronen during the site inspections conducted subsequent to end of the financial year.

Byrnecut is an internationally recognised underground mining contractor that offers both a full range of professional mining support services and a 30 year history of world class mining experience. Since starting its international operations in 1999, it has grown into one of the most experienced underground mining contractors across the globe. Byrnecut currently employs over 4,000 people worldwide with operations currently in the Australia, Democratic Republic of Congo, Mali, Burkina Faso, Saudi Arabia and Tanzania.

Byrnecut specialises in mechanised underground mine feasibility, mine development and mine production and has been successful in securing many Australian and international contracts over the past 30 years. It offers its clients a range of services including:

- Mechanised development and production
- Shotcreting
- Equipment rebuilds and maintenance engineering
- Mine engineering consultancy services
- Workforce safety and training
- Labour hire and management
- Raise drilling
- Shaft sinking

Byrnecut have first-hand knowledge of the skills necessary to overcome remote location logistics, language barriers and upskilling the national workforce. They offer clients a safe, efficient and professional contracting service to assist in optimising the development and production of their mineral resources, training of local workforce, and they are capable of providing first world mining capabilities to any international location. Byrnecut have the capacity to provide Ironbark with an immediate "bolt-on" underground mining expertise that will assist Ironbark as we move from financing to active mining.

Appointments

During the year Ironbark made several key appointments to support the move of the company towards production.

MANAGING DIRECTOR'S LETTER (cont)

Michael Bourguignon - Project Director

Michael has over 20 years' experience in Project Management within the Mining Industry both in Australia and Internationally. Michael's most recent role was as the Capital Project Manager for Syrah Resources Limited's Balama Graphite Mine. Michael was responsible for the planning, coordination and execution of multiple contracts for the construction of the Balama Processing plant which is the largest graphite processing plant in the world. The project scope also included the construction of external infrastructure which was self-managed. In this role, Michael was responsible for 2000 personnel with an owners of team of 96 staff reporting directly to him through to successful completion.

Prior to the role at Syrah, Michael was the General Manager – Projects for Tiger Resources Ltd which included oversight of the construction of Kipoi Copper mine in the DRC. Michael was responsible for the timely completion of a US$180m solvent extraction & electrowinning plant and associated infrastructure from conception to commissioning. In this role Michael had management responsibility for 1500 personnel with 140 in the owners team reporting directly to him. Michael has also held two Project Management positions with Perseus Mining Ltd prior to the role at Tiger Resources Ltd.

The appointment of Michael as the Project Director for Citronen is a key appointment with the Company and his sole focus will be to drive the Citronen Project into Production.

Henrik Laursen – Logistics Manager

Henrik has over 12 years' experience in Logistics Management with most of his experience gained through the Danish Military within Denmark and Greenland. Henrik was Base Commander of Station Nord, the closest settlement to Citronen Fjord, in 2008-2010 during which time he assisted Ironbark with the C130 heavy airlift logistics and from this experience has a good background knowledge of the Project. Henrik held a position for over 5 years within the Danish Military - Arctic Command Division where he was responsible for the procurement and transport of all personnel, goods & equipment to military bases on the east coast of Greenland. More recently Henrik was also the Base Commander of the Mestersvig Base in East Greenland.

John Fitzgerald – Finance and Commercial Advisor

John has over 25 years resource financing experience and has provided project finance and corporate advisory services to a large number of companies in the resource sector.
John previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals. John will work closely with Cutfield Freeman on the Citronen debt financing and will provide ongoing commercial input to the Ironbark team.

Ironbark is extremely pleased with these key appointments and considers this a major step forward for the development of the Citronen zinc mine.

Germanium

Ironbark conducted several rounds of assay investigation to follow up on the early encouraging germanium assay results through three assay laboratories. Some of the results returned further encouraging results, however other tests returned substantially lower grade results. Numerous follow up and confirmation tests have given mixed results but are indicating that initial assay results are not being repeated. Making this more complex is that the positive results showed excellent correlation with other elements known to be associated with germanium as well as upgrading as expected by Dense Media Separation, while the negative results showed no correlation. Ironbark has completed mineralogical analysis of the drill core to determine the presence of germanium using a scanning electron microscope (SEM) which identified the presence of germanium, mostly associated with galena and pyrite. Further testwork is ongoing, and while early stage, it is hopeful that a potential germanium credit could be exploited during the course of mining and processing.

MANAGING DIRECTOR'S LETTER (cont)

Captains Flat

The HeliSAM electromagnetic survey was due to commence at the Captains Flat Project in early July. The survey has been delayed while establishing land access to some remote areas. These issues have now been resolved and the operators will mobilise to site as soon as possible and subject to local farmer activities. The survey represents the most modern and thorough geophysical exploration of the Jerangle Prospect, the highest priority target within the Captains Flat Project, where Ironbark and Joint Venture Partner NSW Base Metals (a subsidiary of Glencore) have enjoyed historic exploration success. Jerangle has been identified as a large mineralised system which has had very limited exploration but has yielded encouraging historic drill results, refer ASX announcement dated 9 May 2018:

JR03: 1.1m @ 4.3% Cu, 7 g/t Ag from 113m and 2.3m @ 5.2% Cu, 19 g/t Ag from 228m and 1.6m 3.7% Zn from 245m
JR04: 1m @ 2.8% Cu, 9 g/t Ag from 218m and 29.4m @ 0.5% Cu, 2.2% Zn, 8 g/t Ag from 350m.

Site Activities and Mining

Ironbark reported that it commenced site works at Citronen, including preliminary and small scale box-cut and portal preparation at the decline (Figures 4 & 5). The equipment on site was serviced and the site prepared for large scale early works next year. The commencement of breaking ground on site is a strong endorsement of the support shown by the Greenland Government and the fully permitted nature of the current mine plan.

Figure 4: First cut of footprint to the portal.

The Citronen Mine will be one the largest zinc mines in the world at full scale production. It will also be one of the cleanest mines by virtue of many factors such as the self-neutralising tailings that are planned to mostly be pumped back underground where they will freeze into a solid with a higher Unconfined Compressive Strength than that of paste fill cement. Ironbark is pleased to have entered into agreements to ensure an environmentally friendly and sustainable operating environment. The work layout of the project lends itself to a particular clean operation while providing essential but resource constrained zinc metal.

MANAGING DIRECTOR'S LETTER (cont)

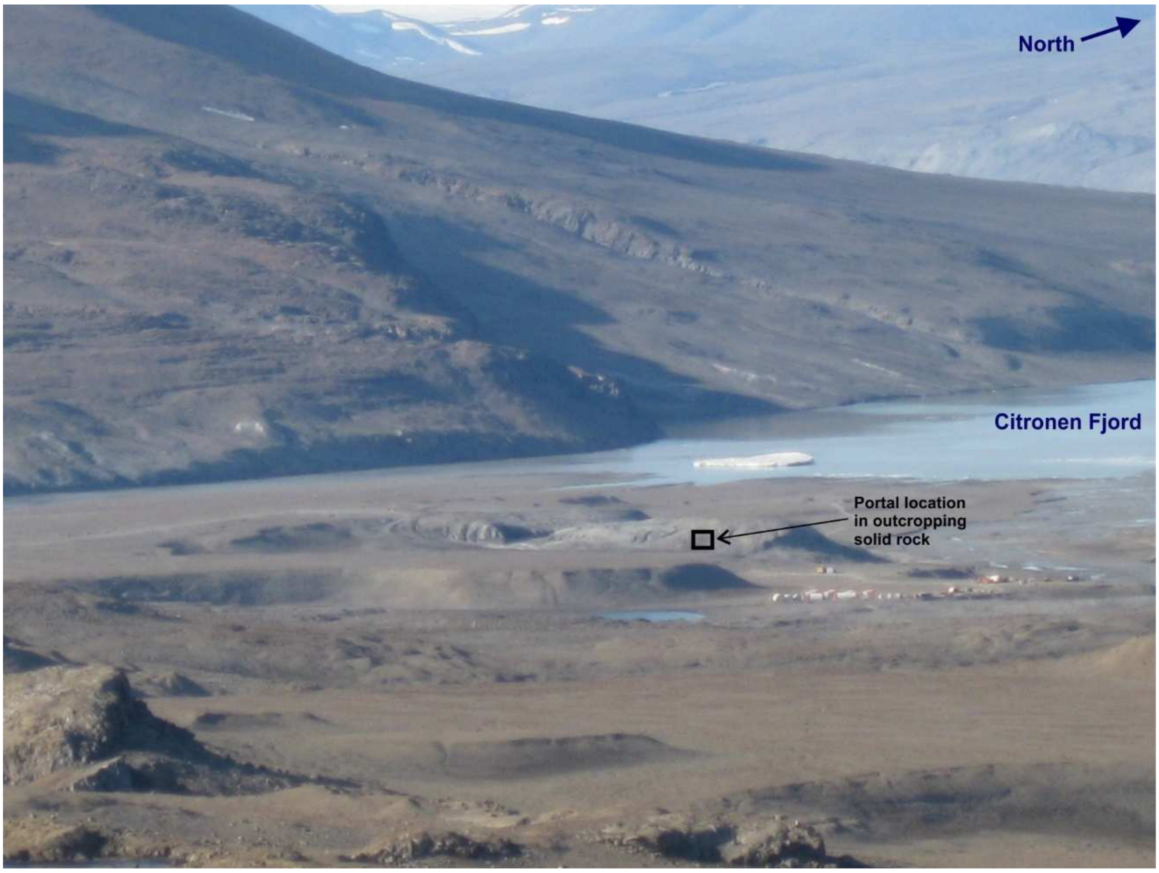

Figure 5: Portal location.

Milestone ship route proven

Ironbark announced the significant achievement of proving the viability of shipping from the Citronen base metal project in Greenland, subsequent to the end of this financial year.

Ironbark chartered the "Nunavik", a 189m long Polar Class Cargo ship has proved shipping access to the Citronen site (Figure 6) marking the first time a large commercial ship has travelled so far north on the eastern coast of Greenland. The vessel took advantage of late summer ice conditions and open water leads whenever possible to prove viable access to the project site (Figures 7 and 8). Ironbark chartered the icebreaking Nunavik to transit the area as part of the overall proof of logistical plan. The Citronen Project represents one of the World's largest zinc deposits and will be a largely conventional mine with the exception of its location. The ship accessed the project site with relative ease, even late in the season. This endeavour is a major milestone for Ironbark and supports the shipping plans as outlined in the Feasibility Study.

The Citronen project has some unique characteristics that are likely to make this one of the most environmentally friendly and sustainable global operations. Ironbark plans to draw on these advantages to deliver the cleanest zinc mine in the world. In conjunction with Fednav's impeccable environmental track record and reputation, Ironbark ensured that the Nunavik made this journey consuming low sulphur marine diesel oil instead of conventional heavy fuel oil (HFO) while in Greenland waters.

MANAGING DIRECTOR'S LETTER (cont)

Figure 6: The Nunavik in North-East Greenland.

The Nunavik's master, Thomas Grandy with more than 20 years of polar navigating experience, remarked *"Despite harsh ice conditions at times, Nunavik was able to make good progress to & from the entrance to Frederick E. Hyde Fjord thanks to a properly suited vessel with machinery operating at peak performance, an experienced ice navigation team, up to date weather information and ice charts, and satellite imagery received in a timely manner from Fednav's shore team in Montreal".*

The Nunavik is a modern and very powerful icebreaking cargo ship and measures 188.8 metres (619 ft) long and has a beam of 26.6 metres (87 ft). Fully laden, she draws 11.75 metres (38.5 ft) of water and has a deadweight tonnage of 31,754 tonnes. She is built for navigation in ice according to the International Association of Classification Societies (IACS) Polar Class 4, which allows year-round operation in thick first-year ice which may include old ice inclusions. The Nunavik is owned and operated by Fednav and services Canadian Royalties' Nunavik Nickel Mine, in Canada.

MANAGING DIRECTOR'S LETTER (cont)

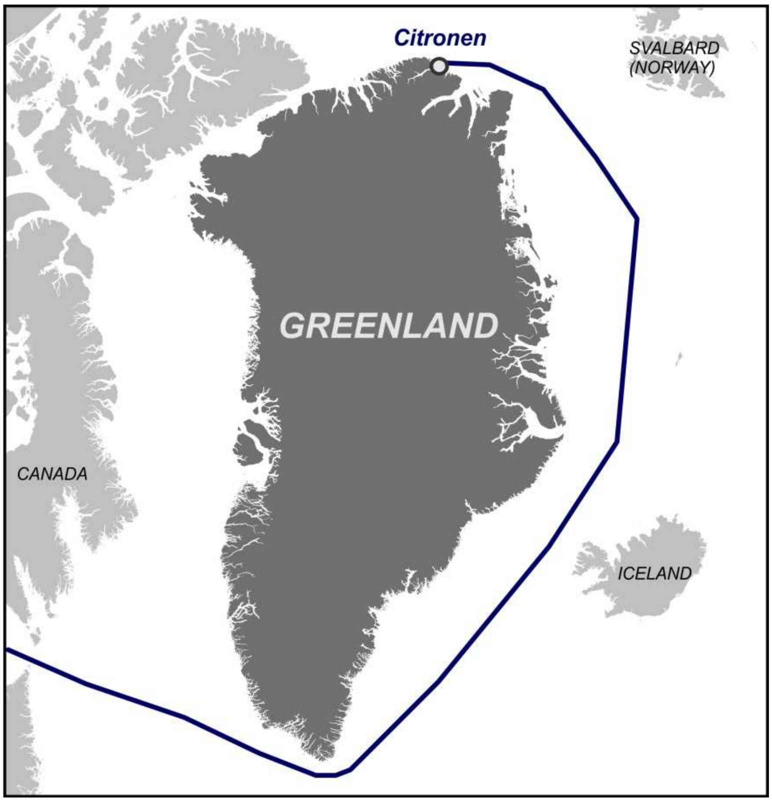

Figure 7: The preliminary shipping route.

Figure 8: Junction of the main Fjord, Frederik Hyde Fjord and the open ocean - taken from an aircraft servicing the Citronen project.

Fednav is Canada's largest ocean-going dry-bulk ship owning and chartering group. For close to 75 years, Fednav has been delivering practical, innovative maritime transportation solutions as a pioneer in the international shipping industry. With offices on four continents and a reputation built on a commitment to customer care and

MANAGING DIRECTOR'S LETTER (cont)

reliability, Fednav is the leader in international shipping on the Great Lakes, as well as the Arctic, boasting the world's largest fleet of ice-class bulk carriers.

Fednav understands that their business has an impact on the environment. While shipping remains the most environmentally friendly form of transportation for the majority of the world's goods and commodities, ships and their airborne and waterborne emissions affect our natural surroundings. Fednav is keenly aware of, and committed to, their responsibility to conduct business in an ethical and sustainable manner.

Fednav is dedicated to the continuous improvement of operational performance in order to reduce the environmental footprint. As leaders in the international shipping industry, Fednav conducts business in a thoughtful, responsible way, with a view to preventing pollution and safeguarding the natural environment.

Environmental protection is one of the cornerstones of Fednav's philosophy and a core company value. Enhanced sustainable strategies and initiatives are constantly assessed, revised, and upgraded. Partnerships with world-class shipyards and suppliers paired with feedback gained in the daily operating of its fleet enable the company to continuously improve the design and efficiency of new vessels. These two main factors also allow Fednav to deploy innovative engineering solutions and implement sophisticated cargo handling processes.

For several years, Fednav has committed to lowering its greenhouse gas emissions (GHG) by 1% per year (in grams per tonne-mile). Over the last decade, they have nearly doubled the target. Fednav's new vessels emit 40% less GHG than the ship the company built 30 years ago.

Figure 9: Long Finned Pilot Whale

Fednav is a founding member of Green Marine, a voluntary, bi-national programme aimed at strengthening the marine industry's environmental performance, and continues to achieve Green Marine's top ratings for minimising its environmental footprint. Fednav Limited was also presented with the IBJ Bulk Ship Operator Environmental Protection Award

MANAGING DIRECTOR'S LETTER (cont)

During this voyage with Ironbark, the Nunavik collected valuable local marine life information, and in conjunction with instruction from qualified Danish Marine Observers (MMSO) recorded the local marine fauna (Figure 9). Ironbark and Fednav are acutely aware and respectful of the sensitive arctic environment. The information will be compiled and passed on to the Greenland environmental bodies and we look forward to developing strong and mutually beneficial relationships with the organisations as we progress the development of the mine.

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 2018.

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 Maciej Sciazko	Non Executive Director (appointed 31 July 2018)
Mr Kelly Strong	Non Executive Director(appointed 13 November 2017, resigned 31 July 2018)
Mr Jason Dunning	Non Executive Director(resigned 13 November 2017)

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 $1,774,921 (2017: $1,651,289).

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 activities focused on the financing activities for the Citronen Zinc Project

Following the update of the Feasibility Study and with the granted 30 year Mining Licence, the Company appointed Cutfield Freeman & Co., to assist with Citronen project financing. In addition Ironbark made several key project development and financing appointments to bolster the Ironbark's capabilities to move towards financing and development. Financing work remains ongoing.

Subsequent to the reporting period Ironbark also completed a series of investor inspections of the project site and in addition, also achieved the significant milestone of chartering a cargo ship to confirm the practicality of the proposed shipping plan.

Further details surrounding the annual activities can be found in the attached Managing Directors Letter.

CORPORATE ACTIVITIES

On 13 November 2017 the Company announced the resignation from the Board of Director of Mr Jason Dunning and the subsequent appointment of Mr Kelly Strong as his replacement.

On 20 November 2017 14,000,000 unlisted share options with an exercise price of $0.133 expired.

On 29 November 2017 the Company held its Annual General Meeting of Shareholders and subsequently announced that all resolutions put to the meeting were passed unanimously by a show of hands.

On 4 December 2017 the Company issued 2,022,013 fully paid ordinary shares to staff in lieu of cash-based salary with an issue price of $0.07 p/share.

On 31 December 2017 5,000,000 unlisted share options with an exercise price of $0.30 also lapsed.

On 30 January 2018 the Company announced the placement of 96,774,194 fully paid ordinary shares with sophisticated investors. The shares had an issue price of $0.062 a share raising a total of $6,000,000. The funds will be utilised to advance the Citroneon 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 from $47,582,103 in 2017 to $54,179,446 in 2018.

The Consolidated Entity's working capital, being current assets less current liabilities, has increased from $1,992,840 in 2017 to $4,663,547 in 2018 and as at 30 June 2018 the Consolidated Entity had $5,181,529 (2017: $2,465,272) cash on hand. The Consolidated Entity may require further funding during the 2019 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;

DIRECTOR'S REPORT (cont.)

- 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 at 30 June 2018. Accordingly, the Consolidated Entity recorded an impairment of exploration expenditure of $250,306 (2017: $235,391).

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

On 31 July 2018 Mr Maciej Sciazko was appointed as a Non-Executive Director to the Board following the resignation of Mr Kelly Strong on the same date. Both directors are appointed as a Nominee of Nyrstar N.V. (Nyrstar) a major shareholder of the Company.

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	—	3,293,430 fully paid ordinary shares
Length of service	—	From 6 June 2006 to present
Special responsibilities:	—	Audit, Remuneration, Nomination and Risk committee

DIRECTOR'S REPORT (cont.)

Directorships held in other listed entities	—	Medadvisor Limited (formerly Exalt Resources) from 28 November 2013 to present Kingwest Resources Ltd 9 May 2018 to present

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	—	11,582,060 fully paid ordinary shares
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 Galena Mining Limited from 7 September 2017 to present date

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	—	2,652,137 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 4 April 2018 Aurelia Metals Ltd (formerly YTC Resources Limited) from 4 July 2012 to 30 June 2018

DIRECTOR'S REPORT (cont.)

Information on Directors (Continued)

Mr. Maciej Sciazko	—	Non Executive Director
Qualifications	—	Masters Econ.
Experience	—	Mr. Sciazko is the Vice President for mining operations at Nyrstar. In his role he is responsible for Nyrstar's mining and milling operations in Canada. Mr. Sciazko brings almost two decades of senior management experience in mining operations, building of megamining projects and turnarounds. He worked in various mining executive roles in Europe, Turkey, Indonesia, India, Australia, Canada and South America. These roles included working at underground and open pit operations in coal, copper, zinc, molybdenum, gold and silver. Prior to joining Nyrstar, Mr. Sciazko was the CEO and General Manager of Lumina Copper, ramping up and turning around the Caserones mine in Chile and previously the General Manager of Sierra Gorda mine in Chile taking it from the construction to the production stage.
Interest in Shares and Options	—	Nil
Length of service		From 31 July 2018 to present
Special responsibilities:	—	None
Directorships held in other listed entities	—	Nil

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 13 November 2017
Special responsibilities:	—	None
Directorships held in other listed entities	—	Nil

DIRECTOR'S REPORT (cont.)

Information on Directors (Continued)

Mr Kelly Strong	—	Non Executive Director
Qualifications	—	B. Eng
Experience	—	Mr. Strong is the Vice President for mining operations at Nyrstar located in Tennessee. In his current role Mr. Strong is responsible for all of Nyrstar's zinc mining and milling operations in Canada and the United States, operating the mining of polymetallic zinc ore bodies, and associated products. Mr. Strong spent 14 years with Vale in various senior management roles. These roles included working at their nickel operations in Indonesia and was also responsible for mining and smelting operations in various parts of Canada and the UK. In Mr. Strong's last role he was the Vice President of the Ontario and UK operations where his portfolio included mining, smelting and refining operations of nickel, copper, cobalt and precious metals
Interest in Shares and Options	—	Nil
Length of service		From 13 November 2017 to 31 July 2018
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.

DIRECTOR'S REPORT (cont.)

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.

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.

DIRECTOR'S REPORT (cont.)

Names and positions held of Consolidated Entity key management personnel in office at any time during the financial year are:

2018

Key Management Personnel	Position held as at 30 June 2018 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.	-	-	-	43	57	100
Jonathan Downes	Executive Managing Director	No fixed term. 3 months notice required to terminate.	-	-	-	81	19	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.	-	-	-	41	59	100
Jason Dunning	Non Executive Director	No fixed term.	-	-	-	-	-	-
Kelly Strong	Non Executive Director	No fixed term.	-	-	-	-	-	-
Robert Orr	Chief Financial Officer and Company Secretary	No fixed term. 3 months notice required to terminate.	-	-	-	78	22	100

2017

Key Management Personnel	Position held as at 30 June 2018 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.)

a. Key Management Personnel Remuneration

	Short Term Benefits		Share Based Payments (a)	Post Employment Benefits	Total
	Salary and fees	Others	Securities	Superannuation	
2018					
Peter Bennetto	38,023	-	55,695	3,612	97,330
Jonathan Downes	216,161	-	54,539	20,535	291,235
Gary Comb	26,865	-	42,885	2,552	72,302
David Kelly	-	-	-	-	-
Jason Dunning	-	-	-	-	-
Kelly Strong	-	-	-	-	-
Robert Orr	162,619	-	50,164	15,449	228,232
	443,668	-	203,283	42,148	689,099
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

(a) During the financial year 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 1.7.2017 No.	Granted as Compensation No.	Options Exercised No.	Option Expired No.	Closing Balance 30.6.2018 No.	Total Vested 30.6.2018 No.	Total Exercisable 30.6.2018 No.	Total Un-exercisable 30.6.2018 No.
Peter Bennetto	1,000,000	-	-	(1,000,000)	-	-	-	-
Jonathan Downes	6,000,000	-	-	(6,000,000)	-	-	-	-
Gary Comb	-	-	-	-	-	-	-	-
David Kelly	-	-	-	-	-	-	-	-
Jason Dunning	-	-	-	-	-	-	-	-
Kelly Strong	-	-	-	-	-	-	-	-
Robert Orr	2,000,000	-	-	(2,000,000)	-	-	-	-
Total	9,000,000	-	-	(9,000,000)	-	-	-	-

On 20 November 2017 9,000,000 unlisted share options with an exercise price of $0.133, and allotted to key personnel expired.

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 01.07.17 No.	Received as compensation No.	Options exercised No.	Net change other No.	Closing Balance 30.6.2018 No.
Jonathan Downes	11,225,590	356,470	-	-	11,582,060
Peter Bennetto	2,624,611	668,819	-	-	3,293,430
Gary Comb	2,179,571	472,566	-	-	2,652,137
Jason Dunning	-	-	-	-	-
David Kelly	-	-	-	-	-
Kelly Strong	-	-	-	-	-
Robert Orr	1,856,547	327,871	-	-	2,184,418
Total	17,886,319	1,825,726	-	-	19,712,045

End of remuneration report

14. Meetings of Directors

During the financial year, eight 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	8	8	2	2	1	1
Jonathan Downes	8	8	2	2	1	1
David Kelly	8	8	2	2	1	1
Gary Comb	8	8	-	-	-	-
Jason Dunning	3	3	-	-	-	-
Kelly Strong	5	4	-	-	-	-

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
– Kelly Strong
– Maciej Sciazko
– Robert Orr

No payments have been made on behalf of the auditor and the Company has not indemnified the auditor in any way

16. Options

At the date of this report, there were no unissued ordinary shares of the Company under option.

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 2018:

Taxation compliance service $4,640 (2017: $4,300)

19. Officers of the company who are former partners of PKF Mack

There are no officers of the company who are former partners of PKF Mack.

20. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 26 of the financial report.

21. Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 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: 17 September 2018

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 2018, 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

SIMON FERMANIS
PARTNER

17 SEPTEMBER 2018
WEST PERTH,
WESTERN AUSTRALIA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $000	2017 $000
Other revenue	2	151	142
Administration expenses		(158)	(76)
Consultancy expenses		(250)	(191)
Depreciation and amortisation expense	3	(1)	(1)
Director's fees		(208)	(227)
Employee benefits expense		(549)	(518)
Impairment of exploration expenditure	3	(250)	(235)
Insurance		(35)	(29)
Loss on extinguishment of financial liability		-	(144)
Occupancy expenses	3	(43)	(32)
Regulatory and legal expenses		(362)	(249)
Travel expenses		(70)	(91)
Loss before income tax expense		(1,775)	(1,651)
Income tax benefit	4	-	-
Loss for the year		(1,775)	(1,651)
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		2,602	716
Other comprehensive income/(loss), net of tax		2,602	716
Total comprehensive income/(loss) for the year		827	(935)
LOSS PER SHARE			
Basic and diluted loss per share (cents)	7	(0.31)	(0.32)

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 2018

	NOTE	2018 $000	2017 $000
CURRENT ASSETS			
Cash and cash equivalents	8	5,182	2,465
Trade and other receivables	9	44	40
Other current assets	12	17	13
TOTAL CURRENT ASSETS		5,243	2,518
NON CURRENT ASSETS			
Plant and equipment	11	6	2
Exploration and evaluation expenditure	13	49,396	45,477
Other assets	12	114	110
TOTAL NON CURRENT ASSETS		49,516	45,589
TOTAL ASSETS		54,759	48,107
CURRENT LIABILITIES			
Trade and other payables	15	408	394
Short-term provisions	16	171	131
TOTAL CURRENT LIABILITIES		579	525
TOTAL LIABILITIES		579	525
NET ASSETS		54,180	47,582
EQUITY			
Issued capital	17	122,950	117,179
Reserves	18	3,318	2,025
Accumulated losses		(72,088)	(71,622)
TOTAL EQUITY		54,180	47,582

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 2018

	Issued Capital $000	Share based payment reserve $000	Foreign translation reserve $000	Accumulated Losses $000	Total $000
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
Equity-based compensation	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**
Loss for the year	-	-	-	(1,775)	(1,775)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	-	-	2,602	-	2,602
Total comprehensive income/(loss) for the year	-	-	2,602	(1,775)	827
Transactions with owners, recorded directly in equity					
Issue of share capital	6,000	-	-	-	6,000
Equity-based compensation	142	-	-	-	142
Costs of raising capital	(371)	-	-	-	(371)
Lapse of share options	-	(1,309)	-	1,309	-
Total Transactions with owners	5,771	(1,309)	-	1,309	5,771
Balance at 30 June 2018	**122,950**	**-**	**3,318**	**(72,088)**	**54,180**

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 2018

	NOTE	2018 $000	2017 $000
Cash Flows from Operating Activities			
Payments for administration and corporate expenses		(911)	(630)
Payments for exploration and evaluation expenses		(1,580)	(1,000)
Payments for staff costs		(614)	(406)
Interest received		23	27
Other revenue		169	94
Net cash flows used in operating activities	21	**(2,913)**	**(1,915)**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(5)	-
Proceeds of deposit for conditional sale of tenement		-	-
Proceeds from joint arrangements		-	-
Net cash flows used in investing activities		**(5)**	**-**
Cash Flows from Financing Activities			
Proceeds from issue of shares		6,000	2,300
Payments for share issue cost		(371)	(147)
Net cash flows generated from financing activities		**5,629**	**2,153**
Net increase in cash and cash equivalents		2,711	238
Effect of exchange rates on cash		6	-
Cash and cash equivalents at beginning of financial year		2,465	2,227
Cash and cash equivalents at end of financial year		**5,182**	**2,465**

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 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Ironbark Zinc Limited ('Ironbark' or the 'Company') for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of Directors on 17 September 2018. 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 2018 (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) *Carrying Value of Exploration and Evaluation Assets*

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

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Ironbark as at 30 June 2018 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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 provision is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment provision 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.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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%

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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 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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

(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*

Equity-settled and cash-settled share-based compensation benefits are at times provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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. Commitments and contingencies are disclosed net of the amount of GST receivable from, or payable to, the tax authority.

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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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 (i) (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 (i) (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. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent entity is disclosed in Note 27

w. 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.

x. Comparative Figures

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

y. Rounding of Amounts

The Company has applied the relief available to it under ASIC Corporations Instrument 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 2018 (cont)

z. Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, 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 2018. 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.

aa. Going concern basis

These financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As at 30 June 2018 the Group had net assets of $54,179,446 (2017: $47,582,102) and $5,181,529 (2017: $2,465,272) in cash and cash equivalents. The Group recorded a loss of $1,774,921 (2017: loss $1,651,288) and had a net working capital surplus of $4,663,546 (2017: $1,992,839).

The ability of the Company and Group to continue to pay its debts as and when they fall due is dependent on the Company successfully raising additional share capital and ultimately developing its mineral properties.

The directors believe it is appropriate to prepare these financial statements on a going concern basis because:

- The directors have appropriate plans to raise additional funds as and when required. In light of the Group’s current exploration projects, the directors believe that the additional capital can be raised in the market; and
- The directors have an appropriate plan to contain certain operating and exploration expenditure if required funding is not available.

These financial statements have been prepared on the basis that the Company and Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event that the Group is unable to satisfy future funding requirements, a material uncertainty would arise that may cast significant doubt on the Group’s ability to continue as a going concern with the result that the Group may be required to realise its assets at amounts different from those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for costs which may arise as a result of cessation or curtailment of normal business operations.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

	2018 $000	2017 $000
2. OTHER REVENUE		
Operating activities		
- Interest received	24	27
- Cost recoveries	124	115
- Equipment hire	3	-
Total Other Revenue	151	142

3. LOSS BEFORE INCOME TAX EXPENSES

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

	2018 $000	2017 $000
Occupancy costs	43	32
Employee benefits expense	495	439
Superannuation expenses	54	79
Depreciation of non-current assets		
- plant & equipment	1	1
Exploration expenditure impairment	250	235

4. INCOME TAX BENEFIT

a. The components of tax benefit comprise:

	2018 $000	2017 $000
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:

	2018 $000	2017 $000
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (2017: 27.5%)	(488)	(454)
Add:		
Tax effect of:		
- Other non-allowance items	-	49
- Share based payments	-	131
- Provisions and accruals	5	-
- Revaluation of shares	-	-
- Exploration, evaluation and development expenditure	-	52
- Revenue losses not recognised	496	268
	501	500
Less:		
- Other	9	-
- Provisions and accruals	-	10
- Exploration, evaluation and development expenditure	4	36
	13	46
Income tax benefit attributable to entity	-	-

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)

	2018 $000	2017 $000
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 2018 has not been determined.

d. The following deferred tax balances have not been recognised:

	2018 $000	2017 $000
Deferred Tax Assets:		
At 27.5% (2017: 27.5%)		
Carried forward revenue losses	3,079	2,594
Carried forward capital losses	40	40
Provisions and accruals	62	52
Property, plant and equipment	2	2
Investments	6	6
other	33	-
	3,222	2,694

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: At 27.5% (2017: 27.5%)	2018 $000	2017 $000
Exploration, evaluation and development expenditure	402	339
Investments	6	-
	408	339

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
Kelly Strong	Non-Executive Director
Robert Orr	Chief Financial Officer and Company Secretary

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)

b. Key management personnel compensation

	2018 $000	2017 $000
The key management personnel compensation comprised:		
Short term employment benefits	443,668	423,827
Post-employment benefits	42,148	35,984
Share based payments	203,283	319,642
	689,099	779,453

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

6. AUDITORS' REMUNERATION

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	37,512	40,141
Preparation of tax return	4,640	4,300
	42,152	44,441

7. LOSS PER SHARE

a. Loss used to calculate basic and dilutive EPS	(1,775)	(1,651)
	No.	**No.**
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	580,726,687	519,966,033

8. CASH AND CASH EQUIVALENTS

	2018 $000	2017 $000
Cash at bank and in hand	5,182	615
Short term bank deposits	-	1,850
	5,182	2,465

The effective interest rate on short-term bank deposits was 0% in 2018 (2017:1.13%); these deposits had an average maturity of 90 days.

Reconciliation of cash

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	5,182	2,465

**NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)**

9. TRADE AND OTHER RECEIVABLES

	2018 $000	2017 $000
Current		
GST receivable	31	16
Other receivables	3	5
Amounts receivable from		
- Other related parties	10	19
Total trade and receivables	44	40

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.

10. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2018 %	2017 %
Subsidiaries of Ironbark Zinc Limited:			
Bedford (No 3) Ltd	British Virgin Islands	100	100
Ironbark Zinc Pty Ltd	Australia	100	100
Doctor Evil Pty Ltd	Australia	100	100
Ironbark Aust Pty Ltd	Australia	100	100
Ironbark A/S	Greenland	100	100

11. PLANT & EQUIPMENT

	2018 $000	2017 $000
Plant and equipment:		
At cost	18	13
Accumulated depreciation	(12)	(11)
Total plant and equipment	6	2

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

Reconciliations	**Plant and equipment $000**
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:	
Consolidated Group:	
Balance at 1 July 2016	3
Additions	-
Disposals	-
Depreciation expense	(1)
Balance at 30 June 2017	2
Additions	5
Disposals	-
Depreciation expense	(1)
Balance at 30 June 2018	6

12. OTHER ASSETS

	2018 $000	**2017 $000**
Current		
Prepayments	17	13
	17	13
Non-current		
Environmental bond	74	70
Term deposit for credit card	40	40
	114	110
Total other assets	131	123

13. EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure capitalised - exploration and evaluation	49,396	45,477
Movement in carrying value:		
Brought forward	45,477	43,977
Exploration expenditure capitalised during the year	1,563	1,021
Foreign exchange movement on translation	2,606	714
Impairment on exploration expenditure	(250)	(235)
At reporting date	49,396	45,477

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.

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)

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 $250,306 (2017: $235,391) and included 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 Fiery Creek, Mestervig and Washington land project's which were conservatively written down.

14. INTERESTS IN JOINT OPERATIONS

The Company has a material joint operation Captains Flat tenement in Australia. The Company has a 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

	2018 $000	2017 $000
Trade payables	123	89
Sundry payables and accrued expenses	285	305
	408	394

Refer to note 25 Financial Risk Management for further details.

16. PROVISIONS

	2018 $000	2017 $000
Employee benefits		
Annual leave	118	92
Long service leave	53	39
	171	131

	Employee benefits $000
Opening balance at 1 July 2017	131
Increase of provision	40
Balance at 30 June 2018	171

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

17. ISSUED CAPITAL

	2018 $000	2017 $000
638,222,119 (2017: 539,425,912) fully paid ordinary shares	126,665	120,523
Less: capital raising costs	(3,715)	(3,344)
	122,950	117,179

a. Ordinary shares

	2018 No.	2017 No.
At the beginning of reporting period	539,425,912	505,875,609
Shares issued during the year	98,796,207	33,550,303
At reporting date	638,222,119	539,425,912

On 4 December 2017 the Company issued 2,022,013 fully paid ordinary shares to staff in lieu of cash-based salary with an issue price of $0.07 p/share.

On 30 January 2018 the Company announced the placement of 96,774,194 fully paid ordinary shares with sophisticated investors. The shares had an issue price of $0.062 a share raising a total of $6,000,000 before costs.

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.

	2018 $000	2017 $000
Reserve at beginning of financial year	1,309	1,346
Lapse of options on expiry	(1,309)	(37)
Reserve at end of financial year	-	1,309

On 20 November 2017 14,000,000 unlisted share options with an exercise price of $0.133 expired.

On 31 December 2017 5,000,000 unlisted share options with an exercise price of $0.30 also lapsed.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

	2018 $000	2017 $000
Reserve at beginning of financial year	716	-
Exchange differences arising on translating the foreign operations	2,602	716
Reserve at end of financial year	3,318	716

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:

		2018		2017	
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	120	300	300	-
Fiery Creek	EL6925	350	-	265	-
Fiery Creek North	EL8107	-	-	75	-
Greenland Projects					
Citronen	2007/31	180	180	-	1,439
Citronen	2010/47	142	142	-	440
Mestersvig	2007/32	169	169	-	1,439
Mestersvig	2011/28	48	143	-	270
Mestersvig	2016/22	99	116	43	370
Washington Land	2007/33	115	115	-	1,123
Total commitments		1,223	1,165	683	5,081

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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.

2018		**Australia $000**	**Greenland $000**	**Total $000**
(i)	**Segment performance**			
	For the year ended 30 June 2018			
	Revenue			
	Unallocated items:			
	Interest revenue			24
	Cost recoveries			125
	Other revenue			2
	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	(25)	(225)	(250)
	Unallocated items:			
	Other expenses			(1,674)
	Net loss before tax			(1,775)
(ii)	**Segment assets**			
	As at 30 June 2018			
	Segment assets at 1 July 2017	1,233	44,415	45,648
	Segment asset increase/(decrease) for the period:			
	Exploration expenditure	239	3,680	3,919
	Financial assets	-	5	5
	Other assets	-	3	3
		1,472	48,103	49,575

NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEAR ENDED 30 June 2018 (cont)

2018		Australia $000	Greenland $000	Total $000
	Reconciliation of segment assets to group assets			
	Unallocated assets:			
	Cash and cash equivalents			5,076
	Trade and other receivables			44
	Plant and equipment			6
	Other assets			58
	Total group assets			54,759
(iii)	**Segment liabilities**			
	As at 30 June 2018			
	Reconciliation of segment liabilities to group liabilities			
	Other liabilities	4	12	16
		4	12	16
	Reconciliation of segment liabilities to group liabilities			
	Unallocated Items:			
	Other liabilities			563
	Total group liabilities			579

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

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

2017	Australia $000	Greenland $000	Total $000
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

	Australia $000	Greenland $000	Total $000
Reconciliation of segment liabilities to group liabilities			
Other liabilities	-	24	24
	-	24	24
Unallocated Items:			
Other liabilities			501
Total group liabilities			525

Segment analysis by geographical region	**Non-current assets**	
	2018 $000	**2017 $000**
Australia	1,518	1,274
Greenland	47,998	44,315
	49,516	45,589

21. CASH FLOW INFORMATION

	2018 $000	2017 $000
Reconciliation of cash flow from operations with loss after income tax		
Net loss for the year	(1,775)	(1,651)
Non cash flows in loss		
Depreciation	1	1
Loss on extinguishment of financial liability	-	144
Equity based payments	142	331
Foreign currency translation movement	14	716
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in exploration and evaluation expenditure	(1,341)	(1,500)
(Increase)/decrease in trade and term receivables	(8)	(12)
(Increase)/decrease in prepayments	1	(2)
Increase/(decrease) in trade payables and accruals	(37)	87
Increase/(decrease) in provisions	40	(29)
Cash flow from operations	(2,913)	(1,915)

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

22. SHARE BASED PAYMENTS

SHARE OPTIONS

All share-based option payment arrangements had expired by 30 June 2018.

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

	2018		2017	
	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	13,000,000	0.133	14,000,000	0.13
Granted	-		-	-
Forfeited	-		-	-
Exercised	-		-	-
Expired (a)	(13,000,000)	0.133	(1,000,000)	0.10
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	13,000,000	0.133
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 (a)	(1,000,000)	0.133	-	-
Outstanding at year end	-	-	1,000,000	0.133
Exercisable at year end	-	-	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 (b)	(5,000,000)	0.30	-	-
Outstanding at year end	-	-	5,000,000	0.30
Exercisable at year end	-	-	5,000,000	0.30

a) On 20 November 2017 14,000,000 unlisted share options issued to key management personnel and various other staff expired.

b) On 31 December 2017 5,000,000 unlisted share options issued to consultants also lapsed

There were no unlisted shares options still on issue at reporting date.

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:

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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

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

On 4 December 2017 the Company issued 2,022,013 fully paid ordinary shares to Directors and staff in lieu of cash-based salary with an issue price of $0.07 a share. The shares had an aggregate value of $141,541. This strategy of providing an equity-based payment scheme enables the Company to preserve cash for operational activities.

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 $
2018	
Mr Peter Bennetto	46,817
Mr Jonathan Downes	24,953
Mr Gary Comb	33,080
Mr Robert Orr	22,951
Other staff	13,740
	141,541

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 charges a related party for shared office and salary expenses. Corazon Mining Limited is considered related due to Jonathan Downes directorship in the entity.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

Corazon Mining Limited ("Corazon")
The total charged for the financial year ended 30 June 2018 was $33,274 (2017: $31,410). At reporting date the balance for outstanding receivables owing by Corazon was $2,549.

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	$45,271,268 (2017: $43,626,081)
Ironbark Aust Pty Ltd	$100,415 (2017: $100,415)
Dr Evil Pty Ltd	$146,271 (2017: $146,271) (a)
Ironbark Zinc Pty Ltd	$25,458 (2017: $25,458) (a)

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

24. EVENTS AFTER THE REPORTING DATE

On 31 July 2018 Mr Maciej Sciazko was appointed as a Non-Executive Director to the Board following the resignation of Mr Kelly Strong on the same date. Both directors are appointed as a Nominee of Nyrstar N.V. (Nyrstar) a major shareholder of the Company.

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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:

	2018	**2017**
	$000	**$000**
Financial assets:		
Cash and cash equivalents	5,182	2,465
Receivables	44	40
Other assets	114	110
Total financial assets	5,340	2,615
Financial liabilities:		
Trade and sundry payables	408	394
Total financial liabilities	408	394
	4,932	2,221

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

	2018 $000	2017 $000
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	408	394

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 2018, 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	2018 $000	2017 $000
Cash and cash equivalents	-	1,850
Other assets	104	100
Trade and other creditors	(15)	(8)
	89	1,942

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:

	2018 $000	2017 $000
Change in profit		
Increase in interest rate by 1% (100 basis points)	1	19
Decrease in interest rate by 1% (100 basis points)	(1)	(19)
Change in equity		
Increase in interest rate by 1% (100 basis points)	1	19
Decrease in interest rate by 1% (100 basis points)	(1)	(19)

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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	
	2018	2017	2018	2017
Consolidated	**$000**	**$000**	**$000**	**$000**
DKK	810	813	-	-

At 30 June 2018 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:

	2018 $000	2017 $000
Change in profit		
Improvement in AUD to DKK by 10%	(11)	(15)
Decline in AUD to DKK by 10%	14	18
Change in equity		
Improvement in AUD to DKK by 10%	(11)	(15)
Decline in AUD to DKK by 10%	14	18

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2018	2017	2018	2017	2018	2017
FINANCIAL ASSETS	**%**	**%**	**$000**	**$000**	**$000**	**$000**
Cash at bank & on hand	0.0%	1.13%	-	1,850	5,182	615
Receivables	-	-	-	-	44	40
Other assets	0.99%	1.11%	104	100	10	10
Total financial assets			104	1,950	5,236	665
FINANCIAL LIABILITIES						
Payables	15.5%	15.5%	16	8	392	386
Total financial liabilities			16	8	392	386

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.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

Greenland Government Environmental deposit
During the year the Company agreed to provide a guarantee to the Greenland Government to support potential costs of rehabilitation of the site in relation to removal of the camp and equipment and returning the site to its original state.

Within one year	$2,537,688
Later than one year	
But not more than five years	$539,259
Total	$3,076,947

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. The remaining payment will depend on completion by NFC to the satisfaction of the Company.

27. PARENT ENTITY DISCLOSURES

	2018 $000	2017 $000
Financial position		
Assets		
Current assets	5,137	2,418
Non-current assets	46,953	45,062
Total assets	52,090	47,480
Liabilities		
Current liabilities	579	526
Total liabilities	579	526
Net assets	51,511	46,954
Equity		
Issued capital	122,950	117,179
Share based payments reserve	-	1,309
Accumulated losses	(71,439)	(71,534)
Total equity	51,511	46,954
Financial performance		
Loss for the year	(1,213)	(1,563)
Other comprehensive income/(loss)	-	-
Total comprehensive loss	(1,213)	(1,563)

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 June 2018 (cont)

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.

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 2018, 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 2018 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 17 September 2018

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 2018, 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 2018 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.

Material Uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1(aa) in the financial report, which indicated that the consolidated entity incurred a net loss after tax of $1,774,921 during the year ended 30 June 2018 (2017: loss of $1,651,288). The consolidated entity will be reliant on future capital raisings to continue as a going concern. This, along with other matters as set forth in Note 1(aa), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

PKF MACK
Accounting, Financial and Business Advisory

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 Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. 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.

Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2018 the carrying value of exploration and evaluation assets was $49,396,513 (2017: $45,477,032), as disclosed in Note 13.This represents 90% of total assets of the consolidated entity.
The Group'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 Group's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

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:
  - 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;
  - 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
  - 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.

PKF MACK

Accounting, Financial and Business Advisory

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 Managing Director's Letter, Director's report, Additional Information for Listed Public Companies and Corporate Governance.

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.

Accounting, Financial and Business Advisory

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Ironbark Zinc Limited for the year ended 30 June 2018, 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

S Fermanis

SIMON FERMANIS
PARTNER

17 SEPTEMBER 2018
WEST PERTH

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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

638,222,119 fully paid shares are held by 2,169 individual shareholders as at 5 September 2018.
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.

Distribution of holders of equity securities Category (size of holding)	**Number** **Fully paid ordinary shares**
1 – 1,000	123
1,001 – 5,000	158
5,001 – 10,000	219
10,001 – 100,000	976
100,001 – and over	693
	2,169

Substantial shareholders	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
NYRSTAR INTNL BV	97,690,702	15.31%
SINGPAC INV HLDG PTE LTD	44,110,593	6.91%
TORONGA PL and DULYNE PL	54,126,933	8.48%

Largest shareholders — ordinary shares

A record of the 20 largest shareholders as at 5 September 2018 is as follows:-

	Ordinary shareholders	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Capital**
1	NYRSTAR INTNL BV	97,690,702	15.31%
2	SINGPAC INV HLDG PTE LTD	44,110,593	6.91%
3	TORONGA PL	28,951,933	4.54%
4	DULYNE PL	25,175,000	3.94%
5	CITICORP NOM PL	10,790,483	1.69%
6	RAMCO INV PL	9,170,000	1.44%
7	JAMAX HLDGS PL	8,000,000	1.25%
8	KANGATHARAN RAM SHANKER	6,480,000	1.02%
9	SHOW CATERERS PL	4,800,000	0.75%
10	STEINHARDT TREVOR RONALD	4,452,000	0.70%
11	BEDFORD RES HLDGS LTD	4,000,000	0.63%
12	J P MORGAN NOM AUST LTD	3,891,477	0.61%
13	HSBC CUSTODY NOM AUST LTD	3,729,124	0.58%
14	DOWNES JONATHAN C + K P	3,658,704	0.57%
15	ROGERS P W + CLARK A J	3,469,290	0.54%
16	FLYNN ANTHONY WILLIAM	3,343,125	0.52%
17	EQUITY TTEES LTD	3,261,629	0.51%
18	GRAY STEPHEN FRANCIS	3,200,000	0.51%
19	CANONBAR INV PL	3,143,430	0.49%
20	DOWNES JONATHAN C	3,036,296	0.48%
	TOP 20 TOTAL	274,178,786	42.96%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (Cont.)

Company Secretary
Mr Robert Orr

Principal registered office
Level 1, 329 Hay Street,
SUBIACO WA 6008.
Telephone +61 (0) 8 6461 6350

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	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 Targets, 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 Targets, 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/