

11 August 2017
Company Announcements

Australian Securities Exchange Limited
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PERTH WA 6000

CITRONEN BASE METAL PROJECT UPDATE

Ironbark Zinc Limited (ASX: IBG) (“Ironbark” or “the Company”) is pleased to report an update to the market regarding the wholly owned Citronen Base Metals Project (“Citronen”).

Citronen represents one of the largest undeveloped zinc resources in the world with a granted Mining Licence located in a mining supportive and low sovereign risk environment. The Citronen Project is currently moving towards development funding. In addition, the robust Citronen deposit remains open to further mineralisation in many directions. Combined, the deposit’s size, expansion potential and advanced stage, Ironbark is considered to be peerless in the listed zinc space on the ASX.

Successful Site Visit with China Nonferrous and Greenland Government

Ironbark is pleased to advise that earlier this month it concluded a highly positive site visit to Citronen with the Greenland Government Minister for Mines, Múte Bourup Egede and the Deputy Minister, Jørgen T. Hammeken-Holm as well as Vice President of China Nonferrous Metal Industry’s Foreign Engineering and Construction Co., Ltd (“NFC”), Mr. Qin Junman. NFC has a Memorandum of Understanding with Ironbark for the potential funding and construction of the Citronen Project, and Mr. Junman led a team of engineers and experts from NFC and the Nerin Group in the site visit as part of NFC’s ongoing project assessment. In addition Ironbark was supported by a senior engineer from CPC Project Design (“CPC”), a senior Ironbark geologist and a support crew.

The site inspection formed part of the NFC project review and a Feasibility Study update being compiled by NFC for the purpose of preparing the project to access Chinese financing and development with current costs, pursuant to the MoU.

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



Figure 1: Senior NFC engineers assessing the proposed tailings site



Figure 2: Seated right to left, Minister for Mines, Múte Bourup Egede, Vice President of NFC, Mr. Qin Junman. Ironbark Managing Director, Jonathan Downes and Deputy Mines Minister, Jørgen T. Hammeken-Holm

Background to NFC Agreement

Ironbark is working with NFC under an agreement to:

- Incorporate current Chinese equipment and construction costs into the Citronen Feasibility Study
- Prepare a Project study report in compliance with the financing requirement of China's banks
- Ensure the technical criteria is in compliance with local laws, regulations, standards and codes in Greenland and China
- Assist Ironbark in securing Chinese Project debt financing for the development of Citronen under the terms of the earlier Memorandum of Understanding

Ironbark is working towards advancing the financing and development of Citronen as it progresses to become one of the world's largest zinc mining companies.

Ironbark selected NFC as providing the most technically capable, rapid and competitive construction engineers to deliver a turnkey, fixed price EPC solution to develop and commission Citronen. Moving beyond the existing Memorandum of Understanding with NFC, Ironbark will see the Citronen Feasibility Study updated and tailored to meet the Chinese banking requirements that will target 70% debt financing and provide NFC with an option to acquire up to 19.9% of the Citronen Project. Recently discussions have included exploring options for even higher levels of financing from China.



Figure 3: Open water against the East coast of Greenland allowing open shipping access direct to the project site

Ironbark is awaiting the updated Feasibility Study as prepared by CPC which will be released in the near future and also the Feasibility Update being prepared by NFC sometime later. Ironbark will then undertake a marketing program, to better position the Company on the attached peer comparison graph and better reflect the project’s value. In conjunction with the prevailing strong zinc price and the updated Feasibility Study, the Company believes it is extremely well positioned to deliver shareholder value.

Ironbark will also update the market on the progress of its Agreement with NFC in relation to the funding and construction of the Project in due course.

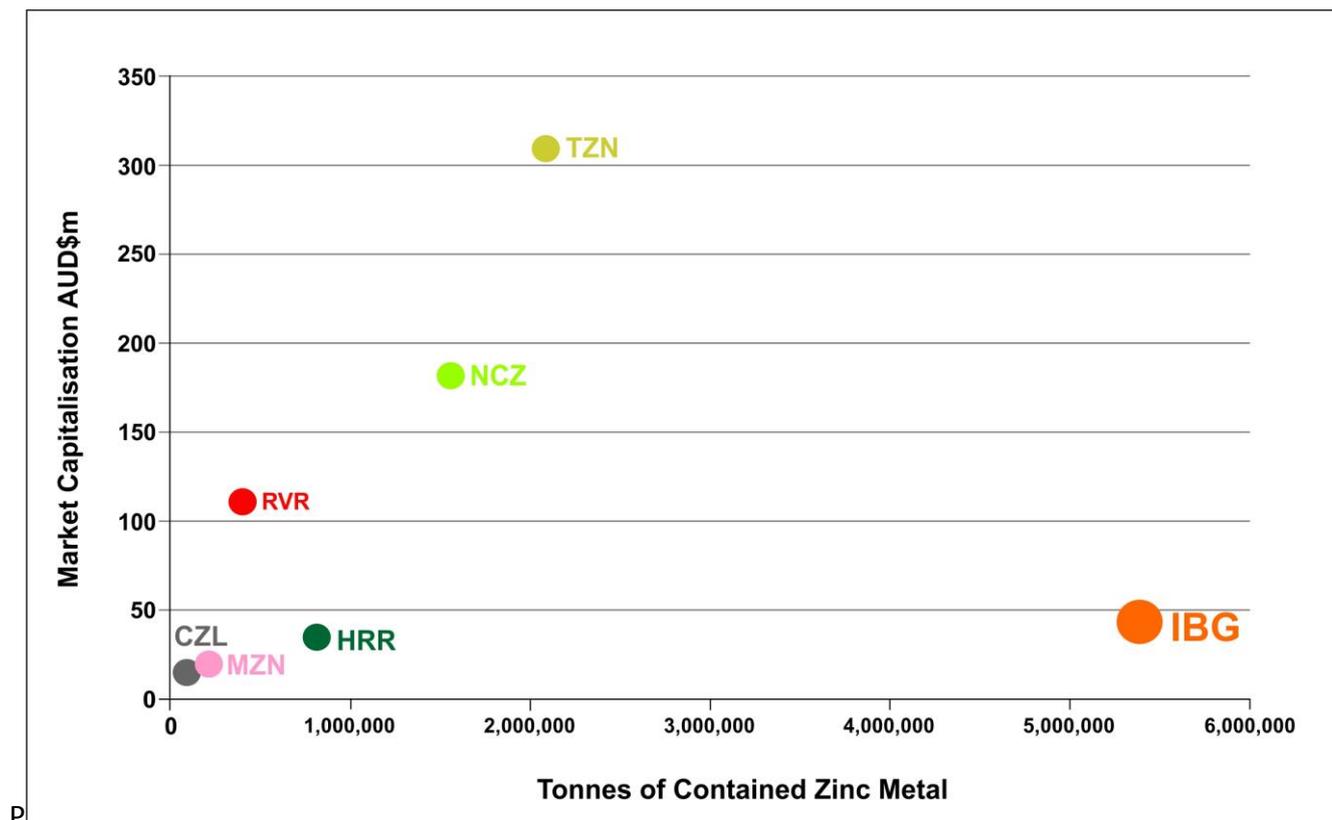


Figure 4: Zinc Peer comparisons – With in-excess of 5.28Mt of zinc metal in global resources, Ironbark appears to be significantly undervalued against all its peers

Zinc Market

“Falling zinc warehouse stock levels are driving a strong zinc price providing Ironbark with exceptional leverage to a rallying zinc price”

The price of zinc has just risen to the highest prices in almost 10 years of over US\$2,965 per tonne and at the same time stockpiles are showing a trend of growing metal depletion with level at new multi-year lows on an almost daily basis. This is a very exciting time to be moving s one of the largest zinc projects in the world towards production.

Zinc, the fourth most mined metal by volume, is mostly used for galvanising steel, and has not run as hard this year as it did last year predominately based on mine shutdowns and depletion resulting in a metal deficit. The price of zinc had in fact fallen from its February high but has very recently

enjoyed a rapid rebound. One explanation for this rapid recovery is the increase in London Metal Exchange (LME) cancelled warrants (zinc that is marked for delivery). LME zinc stocks are currently below 270,000 tonnes, see Figure 1, which is down by 37 percent and the cancelled warrants are currently almost 70 percent, which suggests market tightness. The Chinese Shanghai stockpiles are following the same trend and are lower by approximately 50 percent. Interestingly lower Chinese treatment charges and better zinc payability terms being offered by the smelters also point to a market tightness. In addition to this, the International Lead and Zinc Study Group (ILZSG) observed that global zinc market deficit widened to 92,400 tonnes in April from a revised deficit of 72,700 tonnes in March. In the first four months of 2017, the zinc market was in a deficit of 112,000 tonnes versus a deficit of 20,000 tonnes in the same period last year.

It has been widely forecast that zinc prices may continue to trend upwards in the near future driven by increasing tightness in the concentrate market, following the recent closure of several major mines and healthy and growing zinc demand. This has been observed already with increasing Chinese refined metal imports. Overall tightness in the market and the major metal warehouses such as the London Metal Exchange (LME) and the Shanghai Exchange with regards to falling stocks are likely to be supportive and drive zinc prices even higher. In the context of Ironbark, this should prove to be a very supportive financing environment.



Figure 5: LME Zinc Warehouse Stock Level

End.

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

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About Ironbark

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

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

The wholly owned Citronen base metal project currently hosts in excess of 13.1 Billion pounds of zinc (Zn) and lead (Pb). For full details refer to ASX announcement 25 November 2014 –Citronen Project Resource Update – JORC 2012 compliant resource. Ironbark is not aware of any new information or data that materially affects the information included in this ASX release, and Ironbark confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the resource estimates in this release continue to apply and have not materially changed.

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

“Ironbark is an emerging leader amongst Australia’s mineral resource companies, dedicated to the development of its major base metal mining operation in Greenland – the world class Citronen Project, and the acquisition of quality base metals projects.”

Disclosure Statements and Important Information

Forward Looking Statements

The following information is not intended to guide any investment decisions in Ironbark Zinc Limited.

This material contains certain forecasts and forward-looking information, including possible or assumed future performance, costs, production levels or rates, reserves and resources, prices and valuations and industry growth and other trends. Such forecasts and information are not a guarantee of future performance and involve many risks and uncertainties, as well as other factors. Actual results and developments may differ materially from those implied or expressed by these statements and are dependent on a variety of factors. The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, based on the information contained in this and previous ASX announcements.

The Citronen zinc project is considered to be at an early development stage and will require further regulatory approvals and securing of finance and there is no certainty that these will occur. Nothing in this material should be construed as either an offer to seek a solicitation or as an offer to buy or sell Ironbark securities. Consideration of the technical and financial factors requires skilled analysis and understanding of their context.

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

Competent Persons Statement

The information included in this report that relates to Exploration Results & Mineral Resources is based on information compiled by Ms Laursen (B. ESc Hons (Geol), MSEG, MAIG), an employee of Ironbark Zinc Limited. Ms Laursen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 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

Ms Laursen is an employee of Ironbark Zinc Limited and currently holds securities in the company.