

31 July 2019

Company Announcements

Australian Securities Exchange Limited
Level 40, Central Park,
152-158 St Georges Terrace
PERTH WA 6000

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2019

Ironbark Zinc Limited ("**Ironbark, the Company**") (ASX: IBG) hereby provides a report on its activities for the period ending 30 June 2019.

Ironbark remains primarily focused on securing a financing solution for the Citronen base metal project, one of the largest global zinc development projects. The Company is targeting a strategic partnership or financing package. Ironbark is in discussions with relevant groups. These discussions remain ongoing.

The Citronen project is:

- One of the largest zinc resources in the world and remains open ended to further mineralisation
- Permitted under a 30-year Mining Licence and 100% owned
- Low Sovereign Risk
- Completed Feasibility Study
- Simple processing/quality product
- The zinc market and price remain strong and is supported by exceptionally low zinc warehouse levels.

The zinc price is strong and global stocks of refined zinc are very low which is contrary to the challenging junior equity markets. The Company considers that with a granted Mining Permit over one of the largest zinc deposits in the world and Feasibility Study that the Citronen project is a globally significant, open ended in terms of actual size and unmined asset that is uniquely well-placed moving forward to achieve long life and large-scale production.

Ironbark is also commencing several new initiatives that are planned to increase the project value and enhance the project attractiveness to potential partners and investors.

HIGH GRADE MINING REVIEW

Ironbark identified that the Citronen project has a grade tonnage curve that hosts a large high-grade resource, primarily in the Beach and Esrum resource areas (Figure 1).

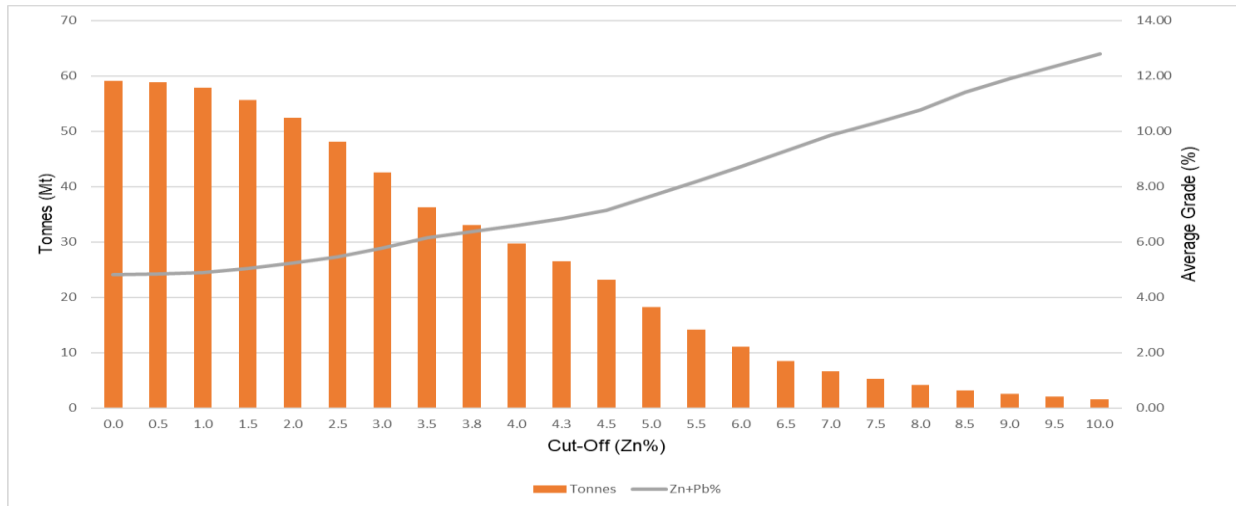


Figure 1: Grade Tonnage Curve for Citronen (refer to ASX announcement 23 July 2019)

Ironbark has focused on developing one of the world's largest zinc mines and believes it has the resource base to support these aspirations. As previously announced Ironbark has been given strong expressions of support by leading international commercial banks and indicated that the project is likely to support US\$300M in debt to partly fund the currently planned mine development¹. Nevertheless, the challenge lies in solving the equity component of the project while facing relatively challenging market conditions. While Ironbark is in encouraging confidential discussions on joint venture opportunities, we have been looking at financing solutions that better suit the broader current market.

As an initiative Ironbark has engaged Mining Plus, a leading international Mining Consultancy, to review the current Mining Schedule that underlies the existing Feasibility Study (ASX release 12/09/2017). The initial review has produced a modified Mining Schedule that provides an increase in head grade of 6.15% zinc in the first year (to 8.41% zinc and 0.65% lead) and an increase in head grade of 5.74% in the first 4 years. This is backed up with an overall increase in zinc head grade by 5.74% in the first 4 years (Figure 2). This strong result will likely have material impact on the economics of the project during this early period of production and will bring forward the mining of a further 35,600 tonnes of zinc metal in the first 4 years. Further engineering work will be required before the results can be more fully reported. Ironbark is currently working on providing the details of this new schedule and its economic impact to the market once the work has been incorporated into the Feasibility Study (ASX Release 12 September 2017).

¹ Refer to ASX announcement 12 September 2017. Subject to final due diligence and other industry standard review procedures 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.

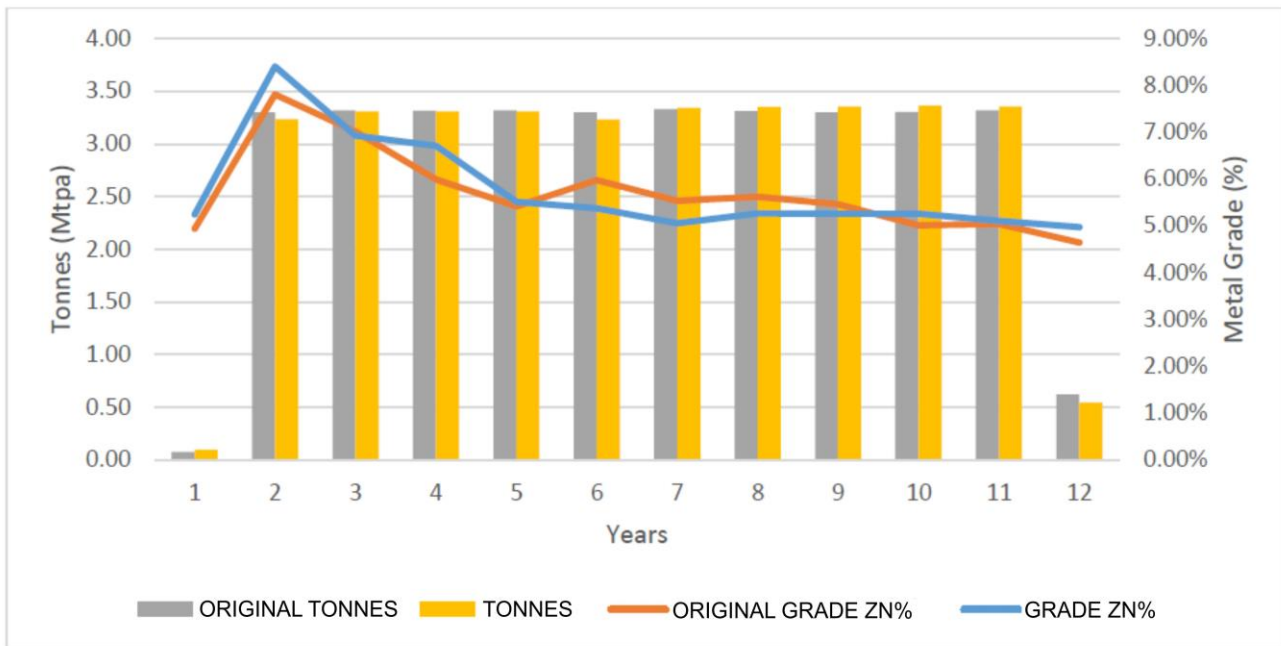


Figure 2: Previous Mining Schedule vs Revised Mining Schedule

A breakdown of the planned mine development is provided on a yearly basis for comparison purposes in Figure 3.

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.

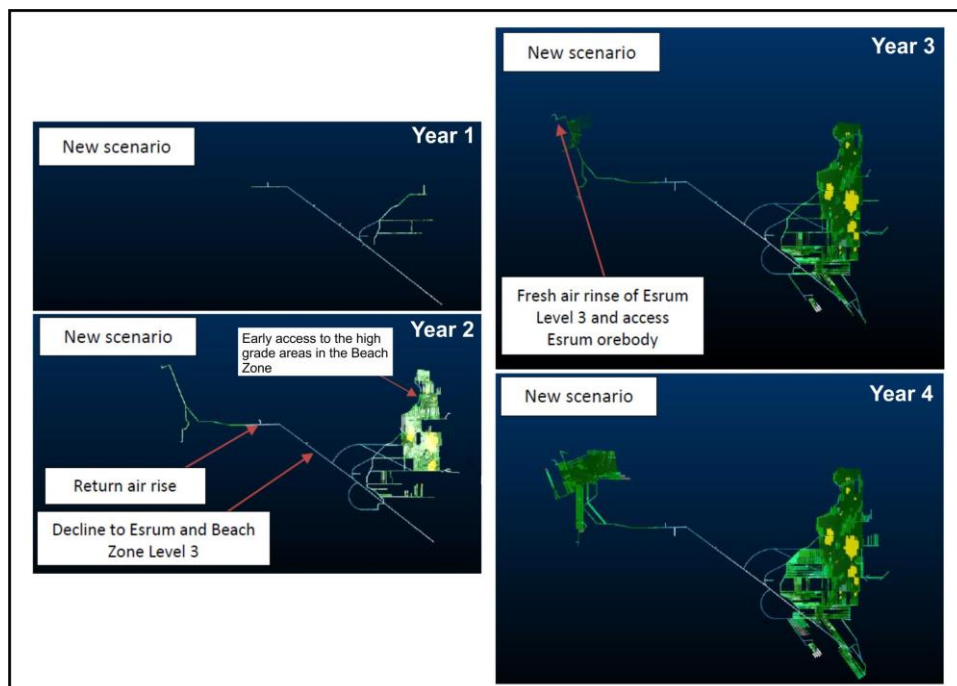


Figure 3: Yearly Plan View of the planned mine development

HIGH GRADE – SMALLER MINE INITIATIVE

Mining Plus are also working on a substantially revised model to develop a much smaller initial operation with a targeted 1Mtpa production rate. This opportunity is expected to provide:

- Lower Capital costs, which will be better received in the current market.
- Higher Grade mine from a reduced mining rate which will facilitate a substantially higher-grade inventory in the early years and the opportunity to expand production on better market conditions.
- The existing exploration target resource will not be significantly impaired by a high grade start up mine.
- Similar model to that employed by the extremely successful high-grade/high-margin Galena Mining Limited (ASX:G1A) which originally had a large low grade resource (and a very similar grade-tonnage curve to Ironbark) and successfully revised the historic plans to a new high-grade operation.
- The opportunity to target a high-grade but reduced scale operation is supported by existing drilling that has most of the Beach Zone (the highest-grade portion of the Citronen resource) being shallow and in the Measured Category. This study is unlikely to require any further site work.
- The Beach Zone mineralisation starts at only 40 metres below surface and is adjacent to the planned deep-water shipping point.

This is expected to allow an expansion to the original Feasibility Study output at a later time. This work provides an exciting platform to commence with a more manageable project better suited to the current economic climate. Ironbark has commenced work with a view to releasing the revised Study within two months. The major engineering work will be directly applicable to this revised Study and is not expected to require any further site work.

Ironbark reiterates that encouraging discussions surrounding the development of the current 3.3Mtpa planned and permitted Feasibility Study remain ongoing.

GLENCORE ARBITRATION

On 8 October 2018, David Kelly, the Director Nominee for Glencore International AG (Glencore) resigned from his position on the Board of Ironbark. A replacement Nominee was sought by Glencore at that time. The Board of Ironbark chose not to make the new appointment.

Ironbark accepted the resignation of David Kelly, a Glencore International AG (Glencore) nominee, as a director of the Company. Concurrent with the notification of Mr Kelly's resignation (which was announced to ASX on 8 October 2018), Ironbark received from Glencore a request for Ironbark to appoint a replacement Glencore nominee director.

The Board of Ironbark decided not to appoint a replacement Glencore nominee director and have informed Glencore of that decision. This decision was not made lightly and while Mr. Kelly became a valuable member of the board, the apparent lack of interest in supporting Ironbark's recent financing activities of the Citronen project by Glencore was not only increasingly difficult to explain to participants in fundraisings but Glencore's influence had a potential impact on other parties interested in participating in the development of the project.

Glencore provided notice to Ironbark that it:

- considers it has a contractual right to appoint a nominee director to the Ironbark board;
- requests the immediate reinstatement of a nominee director; and
- reserves its rights in relation to the matter.

Ironbark disagrees that Glencore has a contractual right to an ongoing Board position and the matter has been referred to arbitration.

Ironbark and Glencore have concluded delivering their respective arguments and the result of the arbitration is expected to be handed down in the near future.

BOARD EVOLUTION

Ironbark recognises that it has been successful in identifying and purchasing 100% of a world class asset, defining a resource, completing the necessary drilling, metallurgical testing and engineering assessments as well as delivering a Feasibility Study and securing a 30 year Mining Licence. The Greenland Government is exceptionally supportive of the development of a mining operation and assisted in arranging a cargo ship demonstration voyage last year.

Ironbark has however been slow to secure the requisite full financing package, and while very encouraging discussions are ongoing, the Company is looking to refresh the business. Ironbark has engaged Derwent, a highly regarded executive recruitment firm, to assist Ironbark in enhancing and evolving its current Board. The current Board of Ironbark unanimously agree to seek out the best possible candidates to realise the full value of Citronen for its shareholders. This process is advanced and will likely inject fresh ideas and strengthen the financing experience of the existing Board. The current Board, with the exception of Maciej Sciazko who is a nominee Director appointment of Nyrstar NV, is prepared to make any and all changes necessary to streamline the Board of Ironbark.

OTHER UPDATES

Subsequent to the end of the Quarter Ironbark announced that the Share Purchase Plan ("SPP") closed. The SPP which opened 10 July 2019 was well supported by shareholders with the total funds of approximately \$2M having been received and accepted.

The strong shareholder support will greatly assist the Company as it moves to enact the development of the Citronen zinc project.

CASH POSITION

The Company holds a cash position at the end of the June 2019 quarter of approximately \$0.59 million with no debt.

ZINC MARKET

The zinc price remains very strong and supportive for the development of Citronen. Similar to the last quarter, the ongoing global volatility and international trade uncertainty dominates the commentary. The critical shortage of zinc held in stockpiles, after a small rise has commenced falling again (Figure 4). The recent stockpile rises have raised questions regarding the extent of stockpiles held outside the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE). The zinc price (Figure 5) has traded sideways lately and there has been speculation about growing stockpiles of unrefined zinc concentrates awaiting the restart of, mostly Chinese, idled smelter capacity. This reported increase in unrefined levels of zinc concentrates has supported a recent rise in treatment charges and kept zinc at relatively lower prices that the shortage of material would otherwise seem reasonable. Since the date of the last quarterly report until the date of this report, the zinc stockpiles held in the London Metal Exchange (LME) at similar levels, which is a reduction from the preceding quarter. The Shanghai Futures Exchange (SHFE) and LME zinc stockpiles are currently less than a week's global average consumption. This very tight market bodes well for ongoing zinc market tightness and the zinc price.

New mine production forecasts have typically exceeded actual production and this may continue which Chinese production remaining under environmental permitting pressure.



Figure 4: LME Zinc Stockpiles



Figure 5: LME Zinc Price

The zinc market has seen the depletion of several of the world's larger zinc mines over the past few years with little in the way of new discoveries. In addition, China has historically produced almost half of the world's zinc and consumes approximately this amount. Since 2014, the Chinese authorities have taken a strict stance regarding the protection of the environment. Several Chinese miners, particularly the smaller to medium swing producers, have historically had a substantial and negative impact on the environment. The new Chinese environmental focus has resulted in the suspension of a large number of smaller operations. This has had a strong and likely lasting effect on the supply and demand fundamentals surrounding zinc production. Existing operations around the world have expanded where possible. Wood Mackenzie forecast that despite this, the global zinc stocks will remain at critically low levels.

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

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



ABOUT IRONBARK

Ironbark is listed on the Australian Securities Exchange and is seeking to become a base metal mining house. 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 at 6.0% Zn cut-off for Citronen:

17.64 Mt @ 8.24%Zn+Pb

Beach Zone					
	Cut-off	Tonnes	Zn%	Pb%	Zn+Pb%
Measured	6.0%	5,031,646	8.00	0.75	8.75
Indicated	6.0%	5,176,277	8.14	0.71	8.86
Inferred	6.0%	786,650	7.14	0.54	7.68
Total	6.0%	10,994,572	8.00	0.72	8.72

Esrum Zone					
	Cut-off	Tonnes	Zn%	Pb%	Zn+Pb%
Measured	6.0%				
Indicated	6.0%	3,996,827	7.23	0.47	7.70
Inferred	6.0%	2,648,161	6.55	0.50	7.05
Total	6.0%	6,644,987	6.96	0.48	7.44

Beach + Esrum Zones					
	Cut-off	Tonnes	Zn%	Pb%	Zn+Pb%
Measured	6.0%	5,031,646	8.00	0.75	8.75
Indicated	6.0%	9,173,104	7.74	0.61	8.35
Inferred	6.0%	3,434,811	6.69	0.51	7.19
Total	6.0%	17,639,561	7.61	0.63	8.24

Reported at a 6.0% cut-off using Inverse Distance Squared Interpolation (ASX Release 23/07/2019)

“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 Elizabeth Clare Laursen (B. ESc Hons (Geol), GradDip App. Fin., 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.

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

IRONBARK ZINC LIMITED CONSOLIDATED BASIS				
SCHEDULE OF INTERESTS IN MINING TENEMENTS				
Project	Mining Licence and tenements held	Location of tenements	Beneficial % interest at end of the quarter	Change in the quarter
Captains Flat (Joint Venture with Glencore)	EL6381	New South Wales	50%	
Fiery Creek	EL6925	New South Wales	100%	
Citronen	ML2016/30 EL2007/31 EL2010/47 EL2019/10	Greenland	100%	
Mestersvig	EL2011/28 EL2007/32 EL2016/22	Greenland	100%	
Washington Land	EL2007/33	Greenland	100%	