



Zinc Market Outlook – May 2013

Presented by Jonathan Downes
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- 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 Citronen zinc project is considered to be at an early development stage and will require 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.

COMPETENT PERSON STATEMENT

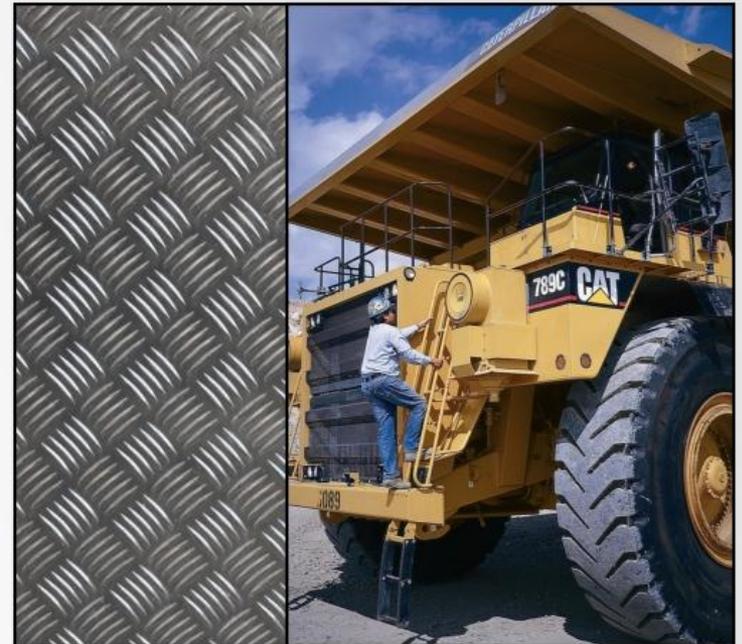
- The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. A. Byass, B.Sc Hons(Geol), B.Econ, FSEG, MAIG, an employee of Ironbark Zinc Limited. Mr. Byass has sufficient experience that is relevant to the style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

Why Zinc Now?



Zinc recovery underway

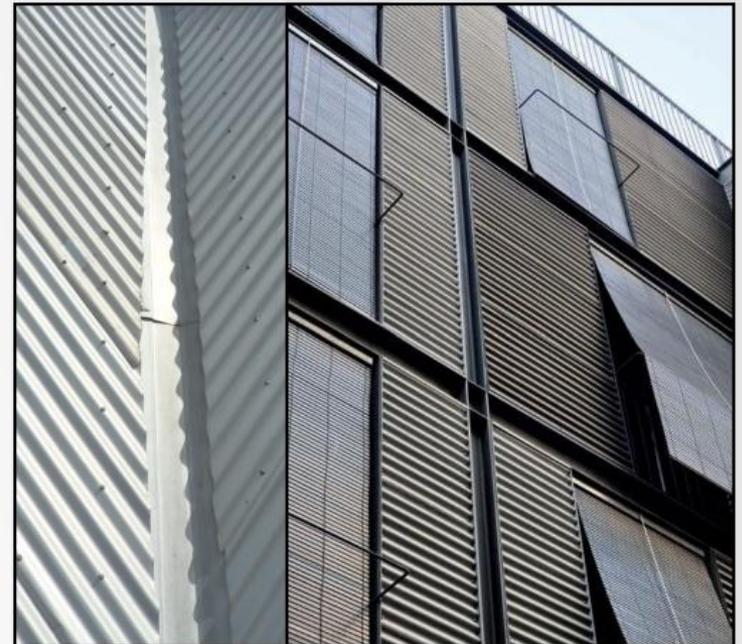
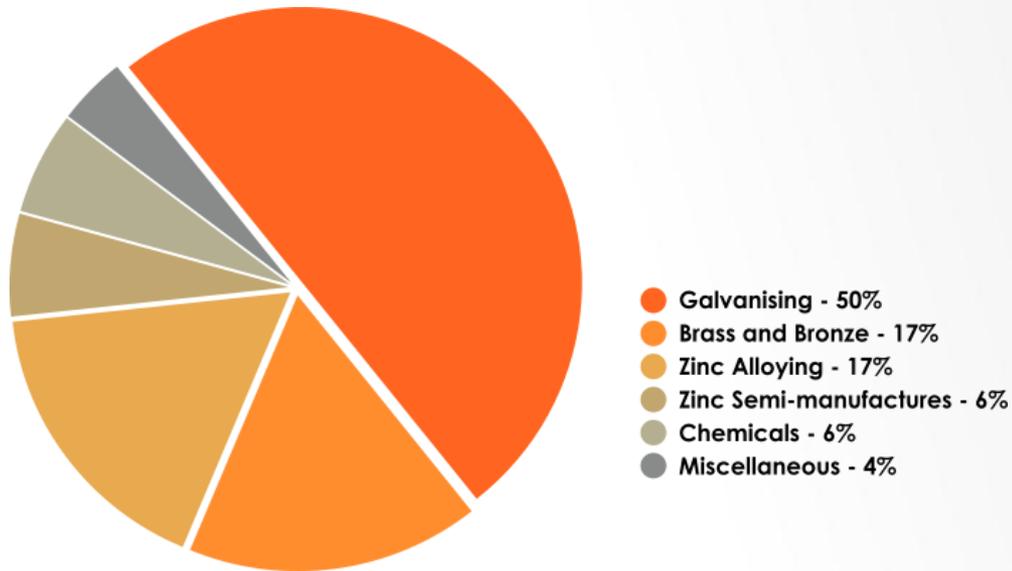
- Anticipation of zinc shortage
 - Constant and growing zinc demand
 - Limited future new development
 - Forecast mine closures
 - Declining head grades
- Zinc poised for a break-out?



Zinc – Global Usage



- **4th most globally used metal:**
(1) Fe (2) Cu (3) Al (4) Zn
- Zinc usage breakdown*: 50% used for galvanising metals used widely in the construction, roofing and vehicle industries

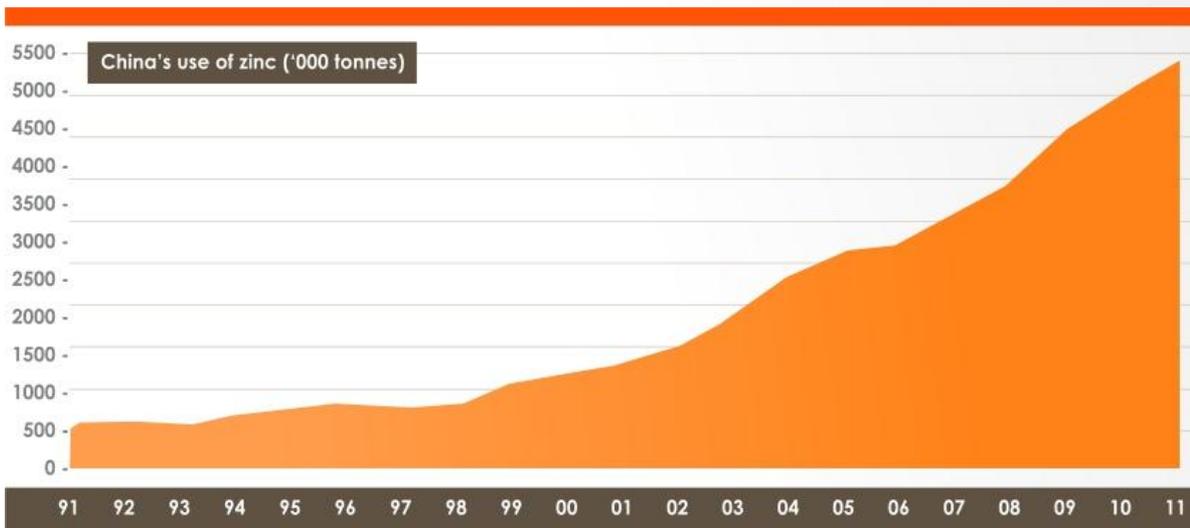
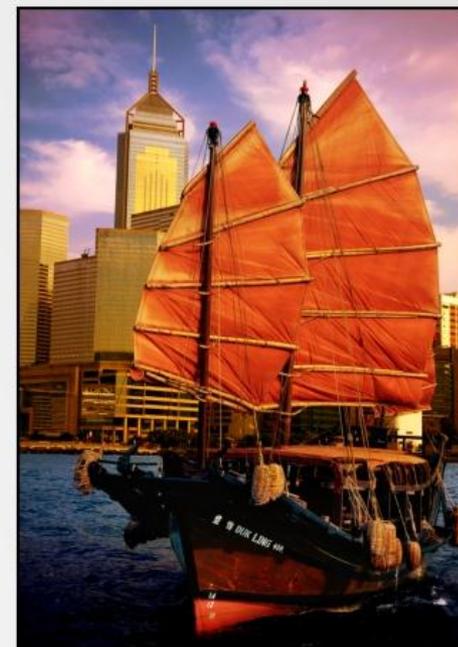


*Source: China International Lead and Zinc Conference 2012, International Lead & Zinc Study Group



China continues to drive growth

- China uses only $\frac{1}{4}$ of the quantity of zinc used by Western brands to galvanise a unit of steel*
- China galvanises 4% of the steel it produces vs the Western World which galvanises 18% of the steel it produces**
- Inevitably, China will increase this amount when they target export markets and strive to meet Western standards



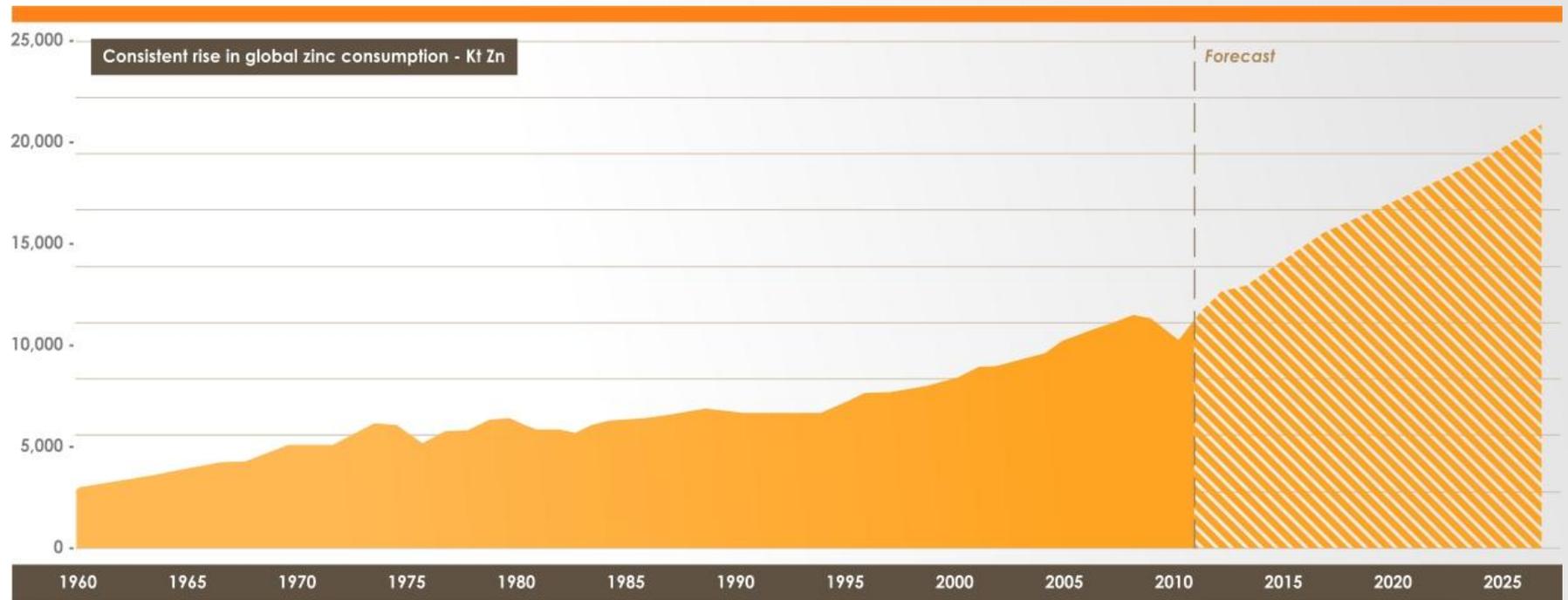
*Source: China NBS, Wood Mackenzie ** Source: Mining Journal

Global Zinc Demand



Trend showing constant global zinc demand

- Not just a Chinese story



*Source: Wood Mackenzie

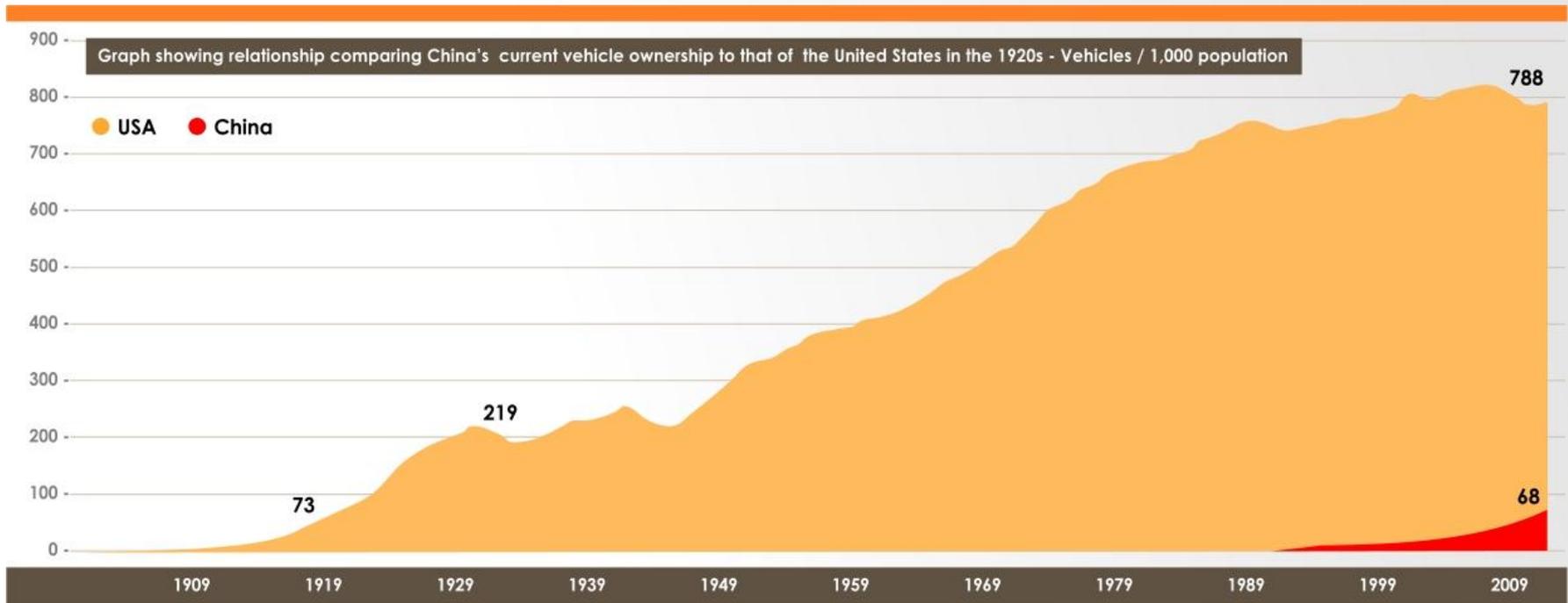
Future Demand Drivers



The commodity boom is not over

For example: Chinese vehicle ownership is still in its infancy

- China's level of vehicle ownership relative to its population is currently less than the United States' during the 1920's – China's growth has just started.



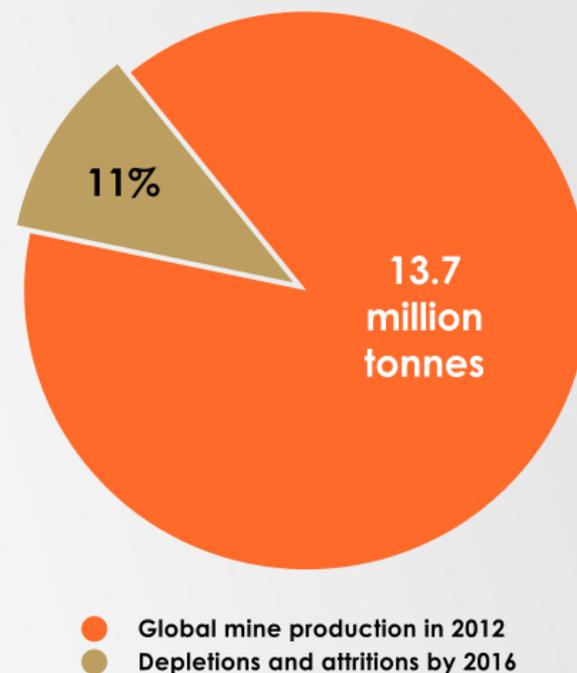
Source: Nyrstar, Zinc Market Outlook Presentation, November 2012



Looming Major Zinc Mine Closures

- Mine closures will result in a fall in production at a time when demand is increasing
- Likely to drive upward pressure on the zinc price which will support new mines

Major Zinc Mine Closures (within 4 years)	
Mine	Zinc Production ('000t)
Century	500
Brunswick	200 (just closed)
Lisheen	167
Skorpion	162
Perserverence	128
Pomorzany-Olkusz	65
Mae Sod	45
Bairedaba Yindu	45
Others	402
TOTAL	1.7 Million tonnes (11% of supply)

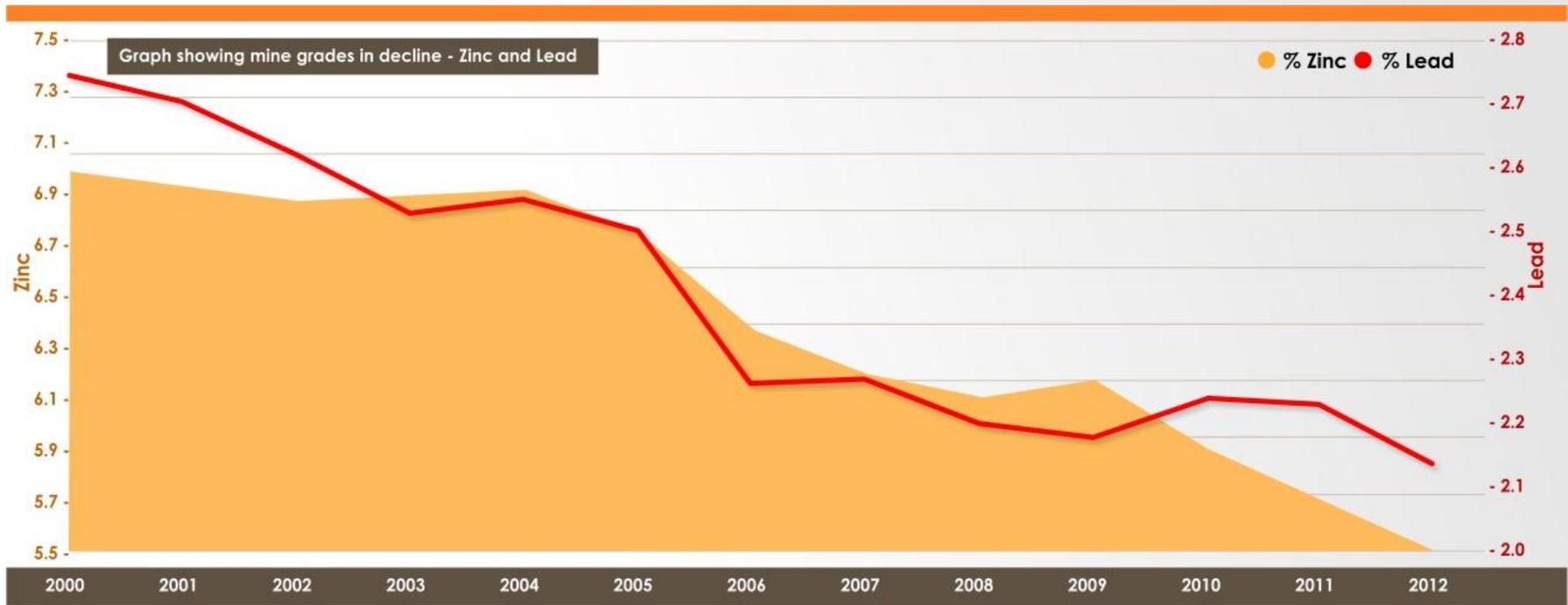


*Source: Nyrstar Estimates, Wood Mackenzie



Mined Grades in Rapid Decline

= Additional pressure increasing on metal prices



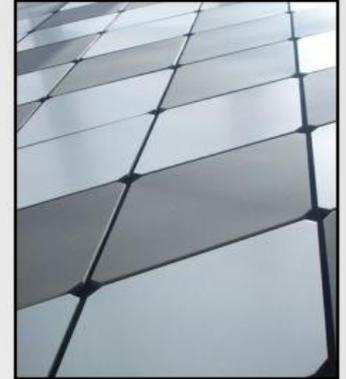
Graph source: China International Lead and Zinc Conference 2012, International Lead & Zinc Study Group



Zinc Fundamentals – Poised to Run

- Constant and growing zinc demand
- Looming shortage of zinc mine supply/limited new discoveries
- Rapidly falling mine head grades
- The next generation of zinc miners are at an early, pre-funding stage and are mostly located in countries with high sovereign risk; however,
 - *they generally benefit from economies of scale, and*
 - *they will derive the biggest share of their income from zinc*
- Lead/silver is an important by-product for only a few projects

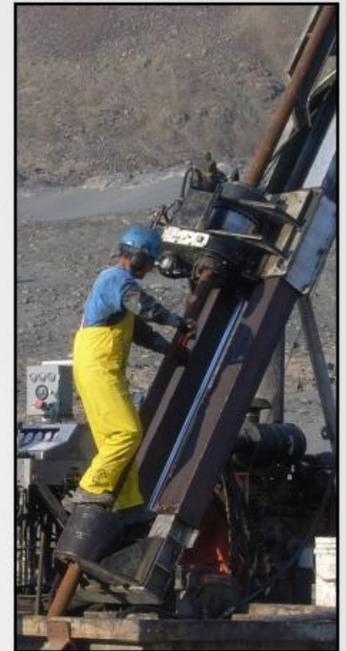
The zinc price will need to rise significantly to support the development of the next generation of mines





Largest Wholly Owned ASX Listed Zinc Company*

- Tough zinc climate over the past few years; **Ironbark has no peers**
- **Market capitalisation of ~\$22M****
- Strong financial position- \$3M with no debt
- **Major investors and strategic partners include**
 - *Glencore International AG - world's largest zinc trader*
 - *Nyrstar NV - world's largest zinc/ lead smelter group*
 - *China Nonferrous - major Chinese construction and engineering firm*
- **Over 13 billion pounds of zinc and lead identified at Citronen**
 - *provides extraordinary leverage to base metal prices*
- **Merger and acquisition search ongoing to utilise the US\$50M Glencore facility**
 - *subject to drawdown, the first US\$30M can, at Ironbark's election be converted into equity at \$0.42/share*



*Largest wholly owned ASX-listed zinc company for metal

** At \$0.06 per share (22 April 2013)



Citronen Zinc Project, Greenland

- Over \$50M expended on the Citronen Project to date
- **Greenland has a zinc mining history**
- Feasibility Study work to date confirms the world class scale of Citronen Project
 - *potential for long life base metal mining operations*
 - *excellent recoveries*
 - *simple process flow sheet*
- **Pathway to funding** under the MOU with China Nonferrous (NFC)
 - *MOU with NFC for an EPC lump sum, fixed priced construction and commissioning contract with an associated 70% debt funding and 20% direct project investment (total 90%)*.*
- **Potential to be a Top 6 global zinc miner** at full production rate in a low sovereign risk location



*Details released to the ASX in announcement dated 1 September 2011



Citronen Feasibility Summary*

Profitable Today (inc. interest and royalties**)

NPV	US\$609 million (post tax US\$354 million)
IRR	32% (post tax 22%)
Capital Cost	US\$429.3 million (contingency included)
Operating Cost ¹	(payable US\$)
- Site	48c / pound zinc
- Shipping Logistics	11c / pound zinc
- Smelter Fees	12c / pound zinc
Pay Back Period	18 months
Life of Mine Revenue	US\$5.65 billion



*Details and assumptions released to the ASX in announcement dated 29 April 2013

** At US\$0.835/ pound zinc, US\$0.905/ pound lead - as at 10 May 2013

1. At US\$0.85c/ pound zinc, US\$0.90c/ pound lead – first 5 years of production



Citronen Feasibility Summary*

Resource	71Mt @ 5.7% zinc + lead (Zn + Pb) based on 2012 resource
First 5 Years Mining	Underground 16.5 Mt @ ~6.0% - 8.4% Zn + Pb, upgrading to mill feed grade ~8.8% - 14.7% Zn + Pb @ a production rate of 3.3 Mtpa
Production Rate	3.3Mtpa ROM Ore
Life of Mine	14 years
Concentrate Grade	~55% Zn, ~50% Pb
- Contained Zn Metal	185,677 tpa (average for first 5 years)
- Contained Pb Metal	48,045 tpa (average for first 5 years)
Exceptional Exploration Upside	Mineralisation remains in almost every direction, potentially adding many years to the life of mine
Massive Leverage	Citronen offers low sovereign risk upside to rising zinc price and tightening market

*Details and assumptions released to the ASX in announcement dated 29 April 2013



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