

23 July 2018

Company Announcements

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

**Shipping and Site Preparation Update at the Citronen Project**

Ironbark Zinc Limited (“Ironbark, the Company”) (ASX: IBG) is pleased to provide an update on the following items:

**Shipping and Site**

Ironbark reports that it has secured the services of a cargo ship to sail to the wholly owned Citronen base metal project site in Greenland in August 2018. The vessel's journey will be an important demonstration of the proposed logistical solution to one of the world's largest undeveloped zinc projects and will validate the shipping route for commercial operations. The vessel that is contracted, the “Nunavik”, is operated by Fednav, the world's largest arctic ship operator. The Nunavik has the capability to carry approximately 30,000 tonnes of cargo. The vessel is normally used to service the Nunavik Nickel Mine, which is owned and operated by Canadian Royalties Inc. located in Northern Canada where it transports nickel and copper concentrates from the mine to market. The Nunavik was the first cargo ship to complete the Northwest Passage unassisted. Ironbark plans to reach an agreement to lease vessels similar to the Nunavik annually to assist in the shipping of zinc and lead concentrate from the Citronen mine and back freight in fuel and consumables to the Citronen mine. Ironbark is working to secure all the permits required to allow the vessel to enter Greenland waters.



Figure 1: The Nunavik, a PC4 Class Ice Breaker Cargo Ship

Detailed portal and decline engineering plans have been drafted to allow Ironbark to commence site activities this year including a portal and decline drive towards the first and highest grade underground ore source, the "Beach Zone". In acknowledgement of the volatile commodity markets, the company has decided to reduce its overall expenditure on site as originally planned, but to a level that will not impact on the overall start up next year. Planned site works will commence towards portal establishment and box-cut as well as servicing the equipment on site (such as the bulldozers). The fuel stockpile build up will be reduced this year from earlier plans and a larger amount will be delivered early next year instead.

### **Financing Progress**

The Citronen data room has been open to potential investors for several months now. There has been an encouraging level of interest in the project from a broad range of investors. Several site visits will be facilitated this year as part of the due diligence process for potential financiers. This is expected to include bankers, private equity groups and industrial groups. The site visit is a customary and critical requirement as part of the due diligence process. Cutfield Freeman & Co. are assisting Ironbark with the overall financing process and are operating as the first contact to manage the potential financing scenarios. Ironbark is delighted with the quality of the parties interested in the Citronen project. Ironbark is also hoping to have senior Greenland Government officials visit the site in August.

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 reduce the capital costs by up to US\$150M and would form part of the financing. 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 pursuing these as fast as is possible. Milestones and updates will be provided to the market as they are achieved.

### **Germanium Update**

Ironbark has conducted several rounds of assay investigation to follow up on the early encouraging germanium assay results through three assay laboratories. Some of the results have returned further encouraging results, however other tests have 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 commenced mineralogical analysis of the drill core to determine the presence of germanium using a scanning electron microscope (SEM). If germanium is present, the precise mineral composition will be determined. If this is achieved then an assay technique could be designed to better detect it. Results from the SEM analysis are expected shortly.

## 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. 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.

## Summary

Ironbark is heavily focussed on achieving the Citronen project financing. Ironbark is proceeding with the intention of achieving some major milestones this year on site. The primary objective will be to further the due diligence process with the necessary site investigations by interested potential financiers. In addition Ironbark will be commencing minor site works, fuel delivery and servicing of the plant and equipment on site. This will support the proposed 2019 construction and mining plans. In addition a ship will be visiting the project site and it will represent a "proof of concept" and open up the operations to commercial shipping to and from the project site. Ironbark has assembled a strong team and supportive contractors to commence this definitive step towards becoming a major zinc producer.

The wholly owned Citronen project is exceptionally well placed to meet the strong and growing global demand for zinc and represents a large scale, high margin operation in a stable and safe jurisdiction. Citronen is held under a granted 30 year Mining Licence. Ironbark is continuing working towards project financing and remains confident that the project economics against the current zinc price remains compelling.

Ironbark maintains a strong and debt free cash position.

**End.**

For further information please visit Ironbark's website [www.ironbark.gl](http://www.ironbark.gl) or contact us:

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## **About Ironbark**

Ironbark seeks to build shareholder value through the development of the wholly owned Citronen base metal project which 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**

<b>Category</b>	<b>Mt</b>	<b>Zn%</b>	<b>Pb%</b>	<b>Zn+Pb%</b>
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**

<b>Category</b>	<b>Mt</b>	<b>Zn%</b>	<b>Pb%</b>	<b>Zn+Pb%</b>
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*

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***“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.”***

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## **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. Sc 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.