

26 September 2016

Company Announcements

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

Exploitation Licence Progress Update Impact Benefit Agreement Executed

Ironbark Zinc Limited (Ironbark) (ASX: IBG) is pleased to advise that the Impact Benefit Agreement (IBA) between its subsidiary, Ironbark AS and the four municipalities in Greenland has been executed. The IBA is a critical part of the Exploitation Licence process. A press release prepared by the Government of Greenland is attached and the official release can be found on the web address below:

http://naalakkersuisut.gl/en/Naalakkersuisut/News/2016/09/230916-IBA_Ironbark

Ironbark is making solid progress towards the final Exploitation Licence documentation and will provide further updates in due course.

For further information please contact:

Jonathan Downes
Managing Director
Ironbark Zinc Limited
Tel: +61 8 6461 6350
E-mail: admin@ironbark.gl
Website: www.ironbark.gl



Tusagassiorfinnut nalunaarut Press release

IBA is the framework for local involvement in the Citronen Fjord project in North Greenland

All four municipalities in Greenland, Naalakkersuisut, and Ironbark A/S as licensee for the zinc and lead deposits at Citronen Fjord in North Greenland, have negotiated and signed an impact benefit agreement (IBA) to promote Greenlandic involvement in the upcoming mining project.

26-09-2016
Ref no. 2015 - 8894

Postbox 1601
3900 Nuuk, Greenland
Tel. (+299) 34 50 00
Fax (+299) 32 56 00
E-mail: isiin@nanoq.gl
www.naalakkersuisut.gl

Vittus Qujaukitsoq, Minister for Industry, Labour, Trade and Foreign Affairs, as well as the other Greenlandic parties to the agreement i.e. mayors from all four Greenland municipalities - Jørgen Wæver Johansen from Kommune Kujalleq, Ole Dorph from Qaasuitsup Kommunia, Asii Chemnitz Narup from Kommuneqarfik Sermersooq and Hermann Berthelsen from Qeqqata Kommunia are very pleased that the negotiations regarding the IBA have been completed so rapidly, and would like to thank all the parties to the agreement, including the company, for their constructive approach to the negotiations.

The Greenlandic parties hope that the agreement will form a basis to enable labour and enterprises from throughout Greenland to take part in the project, despite the geographic challenges associated with the mine in North Greenland. Although the zinc and lead project at Citronen Fjord is located outside the municipal boundaries, it is hoped that the IBA will establish the framework to make this a project for all of Greenland.

The Citronen Fjord project comprises one of the world's largest deposits of zinc and lead. In terms of potential jobs, the mine at Citronen Fjord is also larger than the previous mining projects that have been licenced in Greenland in recent years.

The IBA negotiations commenced in spring 2016 and have been completed quickly and efficiently, meaning that the agreements and extensive annexes have already been signed. The agreement with Ironbark A/S will be the third minerals-related IBA agreement in Greenland. The IBA will contribute to developing the Greenlandic mineral-resources sector in many different areas, and aims at ensuring Greenlandic jobs, involvement of Greenlandic enterprises, and skill upgrades for the Greenlandic workforce.

Of the 470 people who will be working on the mine in the operating phase, 290 people will stay continuously on site. The goal is that most should be locally recruited workers, starting with 63 local people in the construction phase increasing over time, and this goal is to be underpinned by various initiatives to upgrade the skills of the local workforce. It has been agreed to set up eight apprenticeships and a training course will be organised for mechanics, electricians, excavator operators and administrators. It is expected that goods and services will be purchased through Greenlandic suppliers for a value of around DKK 650 mill. in the construction phase and for more than DKK 800 mill. in the operating phase.

Moreover, three funds will be set up totalling DKK 0.6 mill., focusing on promoting different objectives. A social and cultural fund will be established to promote Greenlandic culture and social/sports initiatives as well as activities to benefit citizens in the four municipalities. In

addition, an education and training fund will be set up to improve job opportunities for skilled and unskilled employees in mining operations, such as engineering, administration, finance, health and safety, as well as environmental and social aspects. Finally, it has been agreed to establish an enterprise fund to promote and support Greenlandic enterprises through courses, competence development, transfer of knowledge, legal assistance and similar activities.

Ironbark A/S too is pleased with the IBA agreed with the Greenlandic authorities. Ironbark A/S CEO, Jonathan C. Downes elaborates: *“we intend to involve Greenlandic employees and Greenlandic enterprises as much as possible in our project, and I think that this agreement will help cement the project locally in a number of crucial areas”*.

The statutory exploitation licence and respective approvals will now be completed and it is expected that Ironbark A/S will start construction of the mine in 2017. A copy of the IBA in Greenlandic, Danish and English is available at www.naalakkersuisut.gl.

For further information, please contact:

Helene S. Pedersen, Private Secretary to the Minister, Ministry of Industry, Labour and Trade Email: hspe@nanoq.gl, telephone +299 34 56 06.