

24 April 2018

## Company Announcements

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

# QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2018

---

Ironbark Zinc Limited ("**Ironbark, the Company**") (ASX: IBG) hereby provides a report on its activities for the period ending 31 March 2018. During this reporting period the Company remained focussed on the development of the world class Citronen zinc project. This is an active time for the Company as it progresses toward the major project development and financing stages of the advanced and large scale Citronen zinc project (Citronen) during an ongoing period of very strong zinc prices.

Ironbark is now working towards project development and financing as the Company progresses towards production. The wholly owned and large scale Citronen project is exceptionally well placed to meet the strong and growing global demand for zinc and represents a compelling development opportunity of rare scale in the zinc sector. Citronen is held under a granted mining permit in a low sovereign risk jurisdiction.

Ironbark announced its plans to take a ship to Citronen in August this year to transport essential equipment and fuel to site. 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 underground ore source, the "Beach Zone". A major international mining group is assisting Ironbark with the initial mining plans with the support of MiningPlus to manage the mine engineering design work.

## Site Works

Ironbark is planning significant site activities this year. With the assistance of expert ship operators Ironbark is in negotiations with shipping providers to contract a vessel for this summer. The ship is expected to arrive in Citronen in mid-August. Ironbark will have a team on site to assist in the vessel discharge and to immediately commence preliminary site works.

Ironbark is working with a major Mining Services Group to provide assistance and equipment selection for the commencement of the porthole and decline works. Ironbark will seek as much site involvement as possible from Greenland operators. Some further work approvals will be sought from the Greenland Government before work can commence however Ironbark is comfortable that these can be achieved in the required timeframes and within the greater granted Exploitation Licence.

Ironbark appointed MiningPlus, a highly experienced engineering planning house, to provide engineering and technical services for the Citronen Project. MiningPlus designed the open pit and underground mine schedule for Citronen and have produced a detailed portal batter and design for the underground mine (Figure 1).

Figure 2 shows the infrastructure of the Citronen Project and the location of the portal; inset shows a photograph of the portal area looking north towards the fjord. The portal location has been chosen in an area of outcropping solid rock that is in the centre of the high grade Beach Level 2 orebody allowing the highest grade ore to be mined first.

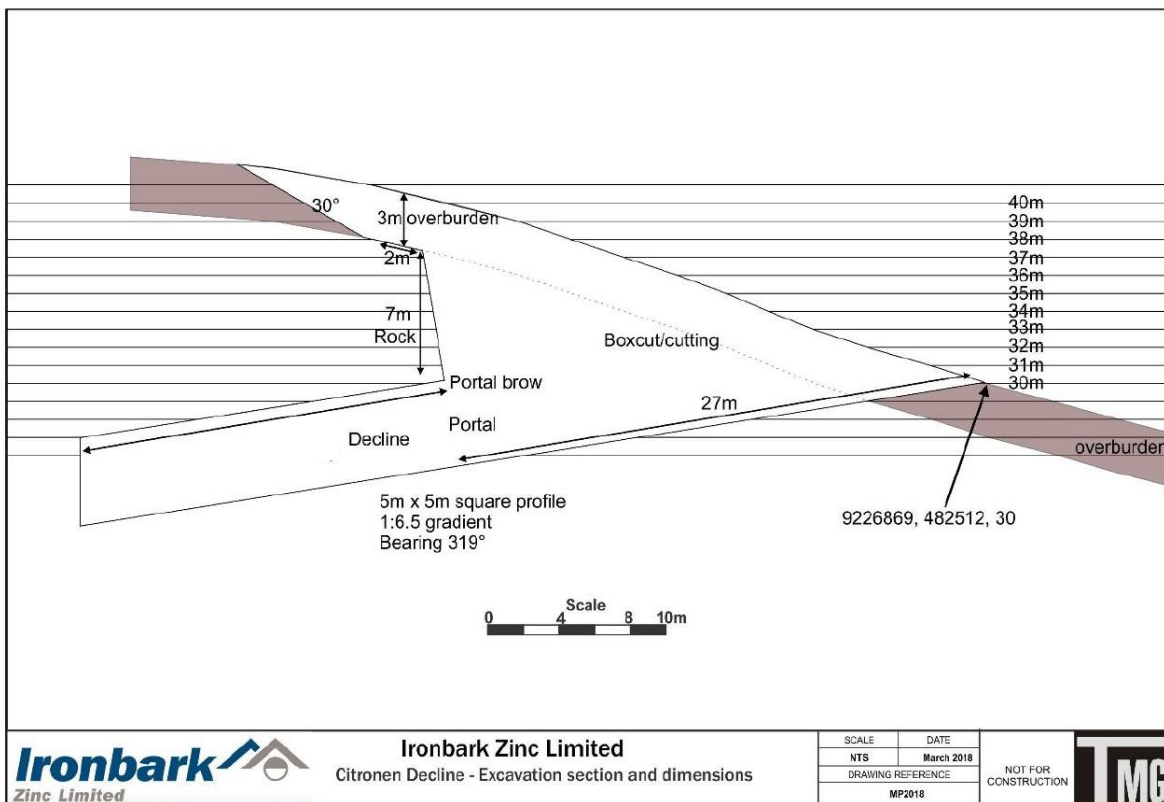


Figure 1: Cross section of the portal and Decline design by Mining Plus.



**Figure 2: Portal Location at Citronen Fjord.**

During the reporting period Ironbark worked with the recently appointed Cutfield Freeman & Co., (CF&Co) a highly credentialed tier one international financial advisory firm to assist Ironbark structure and secure the financing for the world class Citronen zinc project. The comprehensive data room, financial model, financial analysis and strategy and targeting documents were compiled. This work is complete and the financing process is progressing.

CF&Co is an independent corporate finance house with offices in London, Toronto and Hong Kong providing independent advice to companies in the mining and metals sectors. CF&Co advises on all aspects of corporate, project and offtake-related finance, mergers and acquisitions, and joint ventures. CF&Co has acted on a wide variety of transactions for a range of mining companies including BHP Billiton Ltd, Dynatec Corporation, MolyCorp Inc, Zijin Mining Group Co., Anatolia Mineral Development Ltd/Alacer Gold Corporation.

## Senior Appointments

During the quarter Ironbark announced several key appointments that were made as the Company moves towards the development of the world class Citronen Zinc Project.

### Michael Bourguignon - Project Director

Michael has over 20 years' experience in Project Management within the Mining Industry both in Australia and Internationally. Michael's most recent role was as the Capital Project Manager for Syrah Resources Limited's Balama Graphite Mine. Michael was responsible for the planning, coordination and execution of multiple contracts for the construction of the Balama Processing plant which is the largest graphite processing plant in the world. The project scope also included the construction of external infrastructure which was self-managed. In this role, Michael was responsible for 2000 personnel with an owners of team of 96 staff reporting directly to him through to successful completion.

Prior to the role at Syrah, Michael was the General Manager – Projects for Tiger Resources Ltd which included oversight of the construction of Kipoi Copper mine in the DRC. Michael was responsible for the timely completion of a US\$180m solvent extraction & electrowinning plant and associated infrastructure from conception to commissioning. In this role Michael had management responsibility for 1500 personnel with 140 in the owners team reporting directly to him. Michael has also held two Project Management positions with Perseus Mining Ltd prior to the role at Tiger Resources Ltd.

The appointment of Michael as the Project Director for Citronen is a key appointment with the Company and his sole focus will be to drive the Citronen Project into Production.

### Henrik Laursen – Logistics Manager

Henrik has over 12 years' experience in Logistics Management with most of his experience gained through the Danish Military within Denmark and Greenland. Henrik was Base Commander of Station Nord, the closest settlement to Citronen Fjord, in 2008-2010 during which time he assisted Ironbark with the C130 heavy airlift logistics and from this experience has a good background knowledge of the Project. Henrik held a position for over 5 years within the Danish Military - Arctic Command Division where he was responsible for the procurement and transport of all personnel, goods & equipment to military bases on the east coast of Greenland. More recently Henrik was also the Base Commander of the Mestersvig Base in East Greenland.

### John Fitzgerald – Finance and Commercial Advisor

John has over 25 years resource financing experience and has provided project finance and corporate advisory services to a large number of companies in the resource sector. John previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals. John will work closely with Cutfield Freeman on the Citronen debt financing and will provide ongoing commercial input to the Ironbark team.





Ironbark is extremely pleased with these key appointments and considers this a major step forward for the development of the Citronen zinc mine. Ironbark has commenced work on identifying further appointments.

The Feasibility Study Project Execution document is currently being reviewed by CPC Engineering. Long lead items and logistical plans are being prepared to ensure a seamless transition into production with mining planned to commence in 2019, with site preparation works being conducted this year.

### **Germanium**

Ironbark has identified potentially significant Germanium in the Citronen ore. Further large scale ore body wide assaying is now underway. There have been some frustrating delays with the testwork however measures have been taken to expedite the work going forward.

Germanium is a potential credit in some zinc ore bodies that formed in low temperature environments, such as Citronen. As previously announced, Ironbark has released results for one composite ore sample that is considered representative of the Beach Zone ore body and that returned a result of 24 parts per million (ppm). Germanium tends to report to, and get upgraded to, the zinc concentrate during processing. Certain zinc smelters around the world are able to extract and pay for the germanium from the zinc concentrate. The testwork has indicated that there is potentially some complexity around the recovery of Germanium at Citronen. Ironbark makes no representation about how much, if any, of the germanium processed will be a payable credit to Ironbark.

### **China Nonferrous Progress**

Work is ongoing with China Nonferrous (NFC) with the majority of the design and planning studies having been completed. We note that Chinese regulatory requirements and design changes have resulted in variations to the Western Feasibility Study. Some of these changes have resulted in delays and increased costs. Ironbark continues to work with NFC under the pre-existing Memorandum of Understanding however a resolution to these variations may not be achieved.

### **Patersons Securities Limited**

During the quarter Patersons Securities Limited (Patersons) initiated research on Ironbark with a target share price of 35c per share. The Patersons research note is available on Ironbark's website ([www.ironbark.gl](http://www.ironbark.gl)). During the quarter Ironbark appointed Patersons as Lead Manager to complete a \$6 million capital raising that was significantly oversubscribed.

## Zinc Price Remains Very Strong

The zinc price has continued to hold at a very strong price, however there was a pullback of approximately 10% in line with general share market volatility and concerns over Global political events. The price seems to have stabilised and global zinc stockpiles hold at relatively low levels. At the time of writing the zinc price was US\$1.46/lb or US\$3,218/t.



Figure 3: LME Zinc Stockpiles

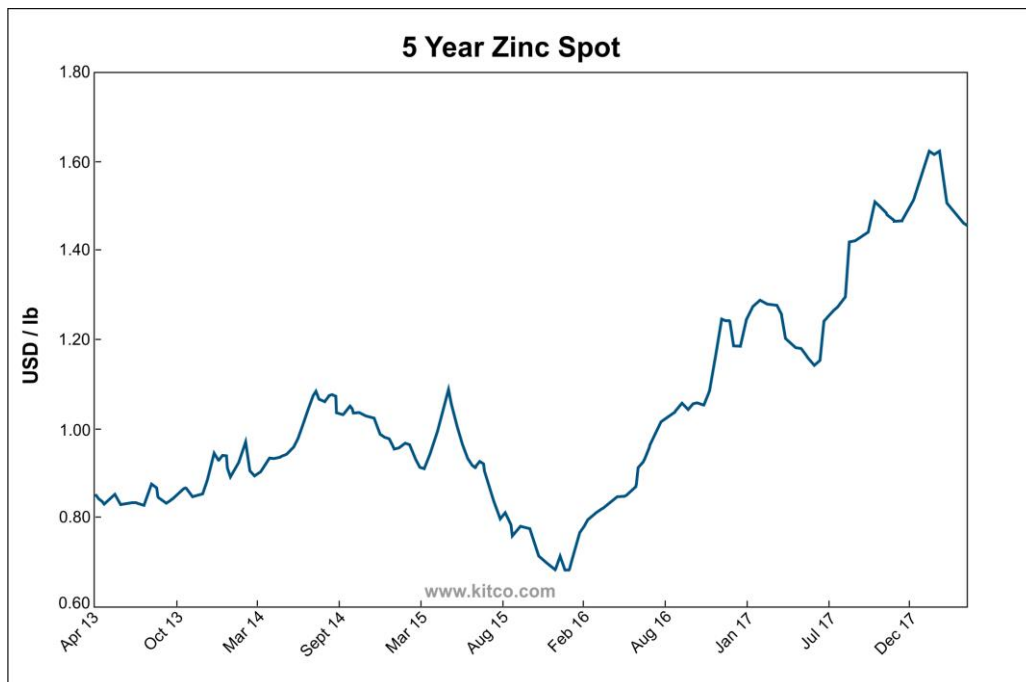


Figure 4: LME Zinc Prices

Aside from the well-known depletion of several of the worlds larger zinc mines and against a backdrop of ever growing demand there are other market dynamics at play. China has historically produced almost half of the worlds zinc and generally consumes approximately this



amount. Since 2014, the Chinese authorities have taken a strict stance regarding the environment. Many Chinese operators, particularly the smaller swing producers, have historically had a substantial and negative impact on the environment. The new focus has resulted in the suspension of a large number of smaller operations. It is unlikely many of these will ever be able to comply with the environmental standards. This has had a strong and apparently lasting effect on the supply and demand fundamentals surrounding zinc production. Existing operations around the world have expanded where possible, in many cases with production growth considered to be near record levels in 2017 and forecast to be equally strong in 2018. Wood Mackenzie forecast that despite this, the global zinc stocks will remain at critically low levels and forecast zinc to rise as high as US\$4,000/t (over US\$1.80/lb) in the first quarter of 2019.

Citronen remains one of the largest undeveloped zinc projects in the world and offers strong leverage to the rising zinc price with exceptionally high revenues and a strong NPV, as released on 12 September 2017, once in production.

Ironbark is assessing the best financing pathway forward and is considering working with several potential partners.

### **Cash Position**

The Company holds a cash position at the end of the March 2018 quarter of approximately \$6M with no debt. This places Ironbark in a strong position to aggressively progress the financing and development activities.

**End.**

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

Jonathan Downes  
Managing Director  
T +61 8 6461 6350  
E: [info@ironbark.gl](mailto:info@ironbark.gl)

James Moses  
Mandate Corporate  
T +61 2 8012 7702  
E [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)



## 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 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), 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 EL8107	New South Wales	100%	
Citronen	ML2016/30 EL2007/31 EL2010/47	Greenland	100%	
Mestersvig	EL2011/28 EL2007/32 EL2016/22	Greenland	100%	
Washington Land	EL2007/33	Greenland	100%	

