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Australian Securities Exchange Limited
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Ironbark Granted Section 19-43 Exploitation and Closure Permit by Government of Greenland

Ironbark Zinc Limited (“Ironbark”, “the Company” or “IBG”) is pleased to update its shareholders with respect to ongoing permitting at its flagship Citronen Project in Greenland.

Highlights

- Ironbark is now in receipt of its Section 19-43 Permit – which sets out the exploitation plan and closure requirements for the Citronen Project – from the Government of Greenland
- In the Board’s opinion, this is the last permit required before a final investment decision (FID) is made to proceed at Citronen in 2021
- The approval ends the 9 year long permitting process covering Ironbark’s Exploitation (Mining) Licence approval (2011-2016) and subsequent Section 19-43 (Exploitation and Closure Plan) approval (2016-2020), and is yet another major achievement by the Company in 2020

IBG Managing Director Michael Jardine:

“I would like to thank our partners at the Government of Greenland for prioritising this approval after a near decade long permitting runway, and I am thrilled on behalf of the Board to have this in hand.”

This is important on several levels. It removes the final permitting based impediment to an investment decision in 2021, with only the post FID Section 86 approval yet to be granted. It will greatly assist with the Project Financing challenge as our partners at EXIM Bank, along with most commercial debt providers, typically do not take permitting risk on projects. And finally, it puts further distance between Ironbark and its in-country peers with respect to establishing Greenland’s first large scale mining operation.

My team has worked very hard at this over a long period of time and I commend them for their dedication and commitment to seeing Citronen developed. The Greenlandic authorities expect high standards of the mining industry and this award is yet another big step forward for Ironbark in 2020.”

How Permitting Works in Greenland

The Mineral Resources Act (2009) is the framework legislation for all activities related to mineral exploration and exploitation and is regulated by the Government of Greenland Mineral Resource Authority (MRA).

The Act is intended as a framework act, constituting the main principles for the administration of mineral resource activities, with regards to safety, health, environment, resource exploitation, social sustainability.

Exploration licences are granted under the Act for 5-year terms and renewable dependent upon annual expenditure requirements.

If exploration activities identify an economic mineral resource, an Exploitation licence issued by the Government of Greenland is required in order for mining to commence. The Exploitation licence contains general terms for the licence period (Section 16), exploitation and closure plans (Section 19-43) and social and environmental obligations.

Prior to the Exploitation licence being approved, the scope and limitations of the project are defined in consultation with the Greenland Government. This is followed by a public comment period. From this, Social and Environmental Impact Assessments are drafted which are subject to a public consultation period including public hearings in relevant towns across Greenland.

Once the SIA and EIA are approved, an Impact Benefit Agreement is negotiated with the Government of Greenland outlining preferred recruitment of Greenland businesses, employment of Greenlandic locals and training and education targets.

With all assessments and agreements in place, the Mineral Resources Authority issues the Exploitation licence.

Prior to construction on site, Sections 19, 43 and 86 of the Act are submitted to the Government of Greenland.

Section 19-43 Approval

Once an Exploitation licence is granted, an application describing the planned exploitation activities and the closure of the mine must be submitted to the Mineral Resources Authority. The application, commonly known as the Section 19-43 is subject to approval by the Government of Greenland.

The Exploitation Plan describes how the deposit will be mined and includes all aspects of the project such as geology, processing methodology, required infrastructure, logistics, financial, health and safety considerations and potential social and environmental impacts.

The Closure plan describes the activities and associated costs required for decommissioning and rehabilitation of the project site once mining has ceased. An assessment of the environmental and social impacts of closure are also described.

Section 86 Strategy

Ironbark will only apply for its Section 86 Permit subsequent to a decision being made to proceed with the development of Citronen as it requires detailed “as built” construction plans, along with documentation on final environmental management plans, financial security, explosives and reporting requirements (all of which are preliminarily agreed in the Section 19-43 Permit).

It is anticipated that, if a decision to proceed is made in the second half of 2021 then the Company will look to mobilise to site in the Greenlandic summer of 2022. This would imply a timing window for the Section 86 submission and approval of late 2021, first half of 2022.

Further guidance will be issued around this at the appropriate time.

Further Details

This notice is authorised to be issued by the Board. Please contact Managing Director Mr. Michael Jardine for any further inquiries on either mjardine@ironbark.gl or +61 424 615 047.