



# IRONBARK AT HOME ON THE FJORDS OF GREENLAND

A positive feasibility study on its flagship Citronen Project in Greenland has positioned Australian company **Ironbark Zinc Ltd (ASX:IBG)** to be a lead player amongst the next generation of global zinc miners.

The recently reported feasibility study represents clearance of one of the final hurdles to development of the Citronen Project, which hosts one of the world's largest known undeveloped zinc-lead deposits, according to Ironbark managing director Jonathan Downes.

"We are delighted the Citronen Project has been ratified as a base metal mining project of global significance," he said.

"Located in Greenland, a nation actively seeking to foster a mining sector to help support its economy, Citronen's mine life of at least 14 years is defined only by the limits of drilling to date.

"As such, one of the project's most exciting aspects remains its exceptional exploration potential with identified mineralisation remaining open in almost every direction.

"Using Brook Hunt metal price forecasts, Hartleys conservatively (assuming substantial dilution) value Ironbark shares at 28 cents, giving Ironbark exceptional leverage to a rising zinc price."

The Citronen Project, once developed, has the potential to produce life-of-mine revenue of US\$5.65 billion against life-of-mine operating costs of US\$3.42 billion, and will launch Ironbark as one of the top six global zinc miners.

With construction and funding arrangements for the project already well advanced, Ironbark expects to be able to outline a schedule of work before the end of the current calendar year with the aim of achieving first production in 2015.

Located in Greenland, a self-governed part of the Kingdom of Denmark, Citronen has a resource in excess of 13Bbl of contained zinc and lead metal.



The mineralisation at Citronen starts from surface, is flat lying and is currently open in almost all directions. To date, in excess of 67,000m of diamond drilling has been completed on the project.

Ironbark has a memorandum of understanding (MOU) in place with China Nonferrous Metal Industry's Foreign Engineering and Construction Company (NFC) for a fixed-price engineering, procurement and construction contract. The MOU encompasses a 70 per cent debt-funding proposal through Chinese banks and

provides NFC with a right to buy a 20 per cent direct interest in the project.

This provides Ironbark with a funding pathway of potentially 90 per cent with relatively little shareholder dilution.

Capex for the project is currently estimated at US\$484 million, including contingency.

Ironbark has entered into individual off-take agreements for the production from the Citronen project with two of its significant shareholders, Nyrstar NV, the world's largest zinc/lead smelter group, and Glencore International AG, the world's largest zinc trader.

Zinc prices have historically been very volatile and are currently trading below the mid-point of the 10-year range. Over the next few years several large mines will be depleted and others will struggle to maintain viable grades, meaning shrinking global supply at a time when market watchers are predicting increasing demand.

Globally, zinc is the fourth most used metal, with 50 per cent of it used for galvanising the metals utilised widely in the construction, roofing and vehicle industries.

Analysts point to rapidly growing demand for private vehicle ownership in China as a key future driver of demand

for zinc. China's level of vehicle ownership relative to its population is currently less than in the United States during the 1920s.

With most other zinc development projects around the world still at an early, pre-funding stage and mostly located in countries with high sovereign risk, Ironbark sits in pole position among the world's next generation of zinc miners.

The mine plan at Citronen is for underground ore to be mined for the first 11 years, using a relatively simple predominantly room and pillar mining operation that concentrates the ore through industry proven dense media separation and flotation techniques to produce saleable separate zinc and lead concentrates to the world markets, and then to progress to the lower-grade open pits in the following three years.

The operation is expected to have a mining rate of 3.3Mtpa (2.2Mtpa processing), with low operating costs of approximately US\$52/t ore.

In addition to the scale of its resource, Citronen is located in a low sovereign risk jurisdiction that has a long history of zinc mining, is close to deep-water

transport on the doorstep of Europe and North America, has easily mined, simple, flat and continuous ore zones and exceptional exploration upside.

Citronen is located on the edge of a fjord in northern Greenland and can be accessed by sea for three months a year.

Ironbark plans to stockpile concentrate throughout the winter months and expects to receive provisional payments for concentrate at the time of production discounted by time value to delivery.

Further upside also remains in the form of metallurgical breakthroughs with zinc flotation that are recording recoveries of up to 90 per cent and have yet to be included in the feasibility study.

Earlier this year, Ironbark was awarded the prestigious Greenland Prospector and Developer of the Year 2013 award for its work on the Citronen project.

The criteria for the award are that it is given to a company that has been active in exploration and has shown initiative and innovation as well as inspiring other companies with consideration also made for sound environmental practises and social responsibility.



## DIRECTORS

PETER BENNETTO Non-Exec. Chairman	ROB ORR Chief financial officer
JONATHAN DOWNES Managing Director	JOHN MCCONNELL Non-Executive Director
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