

# Ironbark Zinc Ltd

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## Ironbark Zinc mine plan optimisation work further de-risks Citronen Zinc-Lead Project

Ironbark Zinc Limited (ASX:IBG) is further enhancing the feasibility and economics of Citronen Zinc-Lead Project in Greenland with optimisation work resulting in operational improvements to the mine plan.

The work by international consultancy Mining Plus delivered an additional 90,000 tonnes of zinc metal in the first six years compared to the previous plan and confirmed that a 3.3 million tonnes per annum operation is the optimum scale.

### Design flexibility

An initial 14-year mine life has been confirmed from a combined underground and open pit operation while design flexibility has been introduced to accommodate mine life extensions in the event of a continuing rising zinc price.

The optimisation was conducted at US\$1.20 per pound compared to US\$1.38 in the 2017 study with the new work carried out to reflect advances in technologies and changes in pricing that have occurred.

This newly optimised mine plan de-risks the mining operation in a number of areas, as well as improving the project economics and overall understanding of how the ore body is optimally mined.

### Refreshing feasibility study

Ironbark managing director Michael Jardine said: "This study represents the first instalment of several reviews being undertaken to ensure that the feasibility study for the Citronen Zinc Project is completely refreshed by taking advantage of the many changes in technologies, standards and pricing that have occurred since the original study work was completed in 2012.

"These initial findings, focused on the mining operations, demonstrate the wisdom of this approach and serve to reinforce the magnitude of the opportunity that the Citronen ore deposit represents.

"These mining study results further de-risk the project by the adoption of updated mining practices, an optimised new mine plan and more efficient production schedule."

### Progressive pillar recovery

The optimisation study integrates progressive ore pillar recovery using tailings as backfill into mining method while improved safety and operating practices arise from the adoption of a twin decline design.

All mining costs, both capex and opex, have been derived from first principles using current technologies and resource pricing.

Concentrate offtake agreements with major IBG shareholders Glencore PLC and Trafigura persist such that 70% of the zinc concentrate to be produced from Citronen is committed.

**Price:** 0.023

**Market Cap:** \$21.17 m

### 1 Year Share Price Graph



### Share Information

**Code:** IBG

**Listing:** ASX

**52 week High Low**  
0.032 0.004

**Sector:** General mining & base metals

**Website:** www.ironbark.gl

### Company Synopsis:

Ironbark Zinc Ltd (ASX:IBG) is listed on the Australian Securities Exchange.

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## "Development opportunity"

Jardine said: "Against the backdrop of the current trend in rising zinc prices, the mining study results confirm that Citronen represents an outstanding project development opportunity.

"Globally, it is now being positioned to be one of the next major zinc projects for investment with its long mine life, substantial further exploration upside, a granted mining licence in a very stable jurisdiction and continued support from the two largest base metal traders in the world, Glencore and Trafigura."

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## Revision process

In early 2020, the Ironbark board committed to undertake a comprehensive revision of the feasibility study for the Citronen Project.

As part of this program, Ironbark engaged Mining Plus to undertake the mine plan optimisation using current technologies and costs, and, to report a maiden JORC ore reserve for the project.

This work consisted of five key areas:

Review and update the cut-off grade assumptions and sensitivity;  
Mine design including sequencing, scheduling and ventilation modelling;  
Mining fleet selection;  
Update the capex and opex estimates and mining cost model; and  
Reporting a maiden JORC 2012-compliant ore reserve.

## "Committed to strategy"

Jardine said: "The Ironbark board remains committed to its strategy of completing the refresh of all key elements of the previous feasibility study work ahead of pursuing a project investment decision.

"To this end, work is underway on updating the metallurgical flowsheet, logistics, project execution, communications and power generation.

"Notwithstanding the difficulties posed by advancing this work during the current COVID-19 pandemic, it is expected that all study streams will be finalised by the first quarter of 2021.

"Ironbark remains fully funded through to the completion of this program and management continues to undertake preparatory discussions with a number of potential counterparties in order to facilitate the future development step.

"In conjunction with the Citronen work stream, management is also reviewing opportunities to re-engage in domestic exploration.

"This scope includes exploration opportunities within the current Ironbark portfolio as well as potential acquisitions.

"The board and management will only pursue exploration programs that offer realistic opportunities for near-term success."

## Market outlook

Zinc prices are in a strong post-COVID recovery phase with a combination of supply disruptions and forecast stimulus-induced growth promising to drive base metal sentiment higher.

With its long mine life and scale driven cost advantage over its near-term zinc developer peers, the Ironbark board

anticipates that Citronen will be well-positioned to ride out the swings of the zinc price cycle, capturing multiple 'booms' over the longer term.

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