

29 January 2021

Company Announcements

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

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 DECEMBER 2020

Ironbark Zinc Limited ("**Ironbark**", "**the Company**" or "**IBG**") (ASX: IBG) hereby provides a report on its activities for the quarter ending 31 December 2020.

Highlights

Citronen

- Letter of Interest received from Export-Import Bank of United States
- Feasibility Study update work ramped up in the quarter, and remains ongoing in early 2021
- Section 19-43 Exploitation and Closure Permit granted by Greenland Government

New South Wales

- Structural Geology Review confirms Copper-Gold Exploration potential at Fiery Creek

Corporate

- London based Bacchus Capital Advisors mandated to assist with project financing drive in 2021

Projects - Citronen

LOI received from EXIM

On 2 November 2020 Ironbark announced that it had received a Letter of Interest (**LOI**) from the Export Import Bank of the United States (**EXIM**), the official export credit agency of the United States federal government. EXIM has current exposure to USD55 billion in lending across 161 countries around the world, and has specific expertise in investing in mining projects.

While the LOI is non-binding and does not represent an official commitment from EXIM, it as an important step in advancing a project financing plan for the development of the Citronen Project. The execution of the LOI was the culmination of 6 months of discussions between the parties in which the representatives of EXIM were made familiar with the Citronen project and Ironbark's proposed development plans.

The key commercial terms of the LOI are as follows:

- EXIM is able to consider financing up to **USD 216,125,000** of the US content for Citronen;
- The LOI contemplates that a maximum loan term of **8.5 years** will be made available to Ironbark;
- Ironbark can select either a Guaranteed or Direct Loan. The interest rate for the Direct Loan option is governed by Commercial Interest Reference Rates (“CIRRs”) and for USD loans, the CIRR is governed by the U.S. Treasury Rate. The current CIRR for transactions with a repayment period of 8.5 years is 1.46%; and
- An initial expiry date of 6 months from signing of the LOI has been agreed. This can be renewed at Ironbark’s request at six-month intervals, for a maximum of two years.

The Ironbark Board has consistently targeted 2021 for a Final Investment Decision (**FID**) on the development of Citronen, and whilst this timeline remains unchanged, the EXIM LOI builds momentum towards achieving that goal by:

- Creating a pathway to the establishment of EXIM as a finance provider for the Citronen Project;
- Crystallising the opportunity for further ECA and private sector participation from countries contributing substantial goods and services content to the Project;
- Using its EXIM exposure to leverage access to US capital markets, given the leading role EXIM plays in US commerce and banking; and
- Significantly raising the profile of the Citronen Project’s ability to potentially underpin other strategic commercial and research opportunities in the high Arctic of Greenland.

Feasibility Study Update

Upon being installed in late 2019, the current Board of Ironbark elected to first review, and where appropriate fundamentally update, the historic technical work underpinning the Citronen Bankable Feasibility Study (**BFS**) given the long passage of time since that work was first completed.

Geology was quickly reviewed to the satisfaction of the Board, as were the key Environmental, Social and Governance elements of the development plan. The mine plan was successfully re-optimised during 2020 with the results announced in the September quarter of that year.

Ongoing study work since then has largely been focused on engineering, construction, processing, and logistics to ensure that these embrace the latest in technical and related developments. An updated minerals marketing strategy is also being prepared for inclusion in the 2021 BFS, targeted for release in the second quarter of this year.

The updated BFS is the critical step in allowing IBG to apply to convert its non-binding EXIM LOI, which will cornerstone the entire financing package, into a binding facility. Delivering this is the key focus of the Company’s executive team at present, and this Project work fully accounts for the increase in cash spend seen in the December quarter of 2020 (no material increase in overhead expenditures have been incurred at the time of writing).

Section 19-43 Exploitation and Closure Permit granted by Greenland Government

On 7 December 2020 Ironbark announced that it had received its Section 19-43 Permit from the Government of Greenland. 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 was yet another major achievement by the Company in 2020.

The Section 19-43 Permit sets out the exploitation plan and closure requirements for the Citronen Project and, In the Board’s opinion, is the last permit required before a final investment decision is made to proceed at Citronen in 2021.

For further details on the Greenland permitting process please refer to the ASX announcement released on 7 December 2020.

Projects - Australia

Fiery Creek

With the successful tenement renewal application earlier in 2020 at the Company's Fiery Creek Gold Project (EL 6925) in New South Wales, the Ironbark Board engaged structural geologists E J Cowan PhD FAusIMM & E Grunsky PhD PGeo (BC) to revisit the copper and gold potential on the tenements.

The structural geological review provided the following key findings:

- Two major structural features were identified as likely controlling the Au mineralisation, with the Fiery Creek structural setting appearing to be analogous to the Ballarat East deposit in the Victorian Goldfields.
- Principal Component Analysis (PCA) was conducted on historic soil survey data comprising of arsenic, copper, lead and zinc assays. The highest arsenic and copper grades occur closest to the historic workings and may assist with drill target identification.
- Historic field work by Horizon Resources was confirmed as high quality. Further structural mapping is required however to determine fold plunges across the property with a view to determining the long-range mineralisation continuities.
- Five initial high priority drill targets were identified from this preliminary review. All are proximal to historic workings (and coincide with high arsenic values) but are either undrilled or have only seen shallow (~20m) drilling to date.

At the time of writing, IBG has commenced the process to have exploration work permitted on EL6925 and the market will be informed of progress at the appropriate time.

For further details please refer to the ASX announcement released 16 November 2020.

Corporate

Mandate executed with Bacchus Capital Advisers

On 3 December 2020 Ironbark announced the appointment of London based Bacchus Capital Advisers (BCA) to assist the Board with achieving a positive FID for Citronen in 2021.

BCA is an independent London-based investment and merchant banking platform led by Peter Bacchus, who has extensive experience in resource capital markets, including in the northern hemisphere, where Ironbark is expected to focus its FID process in 2021. Peter Bacchus has raised in excess of \$15bn in public and private capital for the global natural resources sector, and completed some of the industry's most transformational transactions.

The mandate signed with BCA is for an initial 12-month period and BCA's broad scope of work covers potential debt & equity raisings, M&A and takeover defence, considerations pertaining to potential project partners, and major commercial opportunities.

In a strong and welcome signal of its support for the Company, and to maximise alignment with IBG shareholders, BCA agreed to take a significant portion of its overall fees in fully paid ordinary Ironbark shares, based on a 20-day VWAP at the time of signing. BCA's sign on fee is to be issued in two tranches (60% on

signing, balance on 1 August 2021). The first tranche of these shares (8,979,991 shares) was issued on 3 December 2020 and the second tranche (5,986,661 shares) is to be issued on 1 August 2021. One third of BCA's monthly retainer is also being paid in shares, to be issued on the 12-month anniversary of the engagement at the trailing 12-month VWAP.

For further information on BCA please refer to the ASX announcement released on 3 December 2020.

ASX Listing Rule 5.4.5 Disclosure

Payments to related parties during the quarter as outlined in Sections 6.1 and 6.2 of the Appendix 5B consisted of \$70,724 in directors' fees and fees to the Managing Director under his executive services agreement.

The Company's cash balance, as at 31 December 2020, was **AUD \$1.45m**. As outlined above, Project spend will be elevated during the December 2020 and March 2021 quarters given the drive to update the Citronen BFS, however ongoing overheads remain largely unchanged.

Market & Strategy Update

IBG Managing Director Michael Jardine commented:

"The zinc price continued its rally in late 2020 with the spot price currently above the price assumed in the re-optimised Citronen mine plan in 2020 (Spot: USD 1.22/lb vs assumed 1.20/lb), putting the Project into upside territory.

This increase was driven by a combination of supply and demand side factors, with zinc's late-stage role in a commodity market recovery suggestive of sustained tailwinds in 2021. As one of the most advanced large zinc projects globally, Citronen is well placed to take advantage of this more positive pricing environment.

Pleasingly, the strong performance of the broader equity market in 2020 – focused previously on tech, gold & iron ore and the "home economy" winners - has shown signs of filtering down to base metal juniors in recent weeks. This is a similarly positive dynamic and with the EXIM relationship in place to potentially cornerstone the development of Citronen, increasing equity market interest in IBG is welcome at this juncture."

Further Inquiries

Contact and person who authorised the announcement:

Managing Director Michael Jardine on +61 424 615 047 or mjardine@ironbark.gl for any further inquiries.

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.

JORC Resource

The current JORC 2012 compliant resource for Citronen (see ASX announcement dated 12 March 2020):

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	5.4
Total	70.8	5.1	0.5	5.7

JORC Table 1 included in an announcement to the ASX released on 12th March 2020: “Citronen Project Resources”. Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Ore Reserve

The Citronen Ore Reserve was prepared by independent mining consultancy Mining Plus, in accordance with the JORC Code 2012.

The current JORC 2012 complaint Ore Reserve for Citronen is summarised below:

21.3 million tonnes @ 6.3% Zn equiv containing 1.3Mt of Zn metal and 0.1mt of Pb metal.

Category	Tonnes (Mt)	ZnEq Grade (%)	Zn Grade (%)	Pb Grade (%)	ZnEq Metal (Mt)	Zn Metal (Mt)	Pb Metal (Mt)
Proved	7.8	6.3	5.9	0.6	0.5	0.5	0.04
Probable	13.5	6.3	6.0	0.4	0.8	0.8	0.06
Total P&P	21.3	6.3	6.0	0.5	1.3	1.3	0.10

The Ore Reserve is based on Measured and Indicated Resources only and does not include any Inferred Mineral Resources. JORC Table 1 included in an announcement to the ASX released on 14th September 2020: “Maiden Ore Reserve defined at Citronen Project” and further information as provided in the ASX announcement dated 18 September

2020. Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

“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 Elizabeth Clare 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.

The mining-specific information in this report, which relates to Ore Reserves, is based on information compiled by Mr Andrew Gasmier CP (Mining), who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Gasmier is employed full time by Mining Plus. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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'. Mr Gasmier consents to the inclusion in the report of the matters based on his 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	New South Wales	100%	-
Citronen	ML 2016/30	Greenland	100%	-