

18 August 2021

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

MAJOR MILESTONE FOR CITRONEN: PROJECT FINANCE APPLICATION WITH US EXIM BANK UNDERWAY

Ironbark Zinc Limited (“**Ironbark**”, “**the Company**” or “**IBG**”) is pleased to update its shareholders with respect to its ongoing project finance initiatives for the Citronen Zinc-Lead Project in Greenland, specifically the successful lodgement of its project finance loan application with US EXIM (EXIM) Bank.

Highlights

- **Loan application lodged with EXIM for cornerstone debt funding**
- **Due diligence set to commence, initial credit decision expected December quarter 2021**
- **Final and binding credit decision will be subject to EXIM Board Approval and satisfaction of any conditions precedent to drawdown**
- **IBG Board strongly of the view that EXIM Bank support will unlock wider financial support for project development**

IBG Managing Director Michael Jardine:

“This is a long awaited and potentially transformative step in the life of Ironbark and the Citronen Project, given these are undoubtedly the most advanced financing discussions the Company has undertaken to date.

EXIM are uniquely placed to potentially cornerstone the development of Citronen for a range of reasons – economic, commercial, and political – and I am extremely excited about the coming months. It’s clear that future prosperity will demand new zinc mines and Citronen is one of the few large Projects ready to go today, with even fewer located in jurisdictions able to meet the most stringent standards of today’s ESG focused investors.

The next few months will be of great interest for shareholders as we work with EXIM on getting to the PPL stage”

About EXIM Bank

EXIM Bank, headquartered in Washington DC, is the official Export Credit Agency (ECA) of the United States Government and manages a total financing authority of US\$135 billion across a range of funding instruments typical of all ECAs. Its stated mission is to support American jobs by facilitating the export of U.S. goods and services. Ironbark has applied for a traditional project finance facility which, if successful, will enable Ironbark to procure relevant US content for the construction of Citronen (please see ASX release dated 19 July 2021 for further information on the development plan for the Citronen Project).

EXIM have a long history of investing in major energy and resource projects, with current and past clients including Roy Hill (70% owned by Hancock Prospecting Pty Ltd), Exxon Mobil, Chevron Corporation, Saudi Aramco, Dow Chemical and Boeing in the Aerospace sector.

China Program

In addition to its core business, EXIM's legislative charter was expanded in late 2019 to include the "Program on China and Transformational Exports", also known as Section 402. This law charges EXIM with a goal of reserving not less than 20% of the agency's total financing authority (i.e. US\$27bn out of a total of US\$135bn) for support made pursuant to the program.

The program has two aims:

1. To directly neutralize export subsidies for competing goods and services financed by official export credit, tied aid, or blended financing provided by China or by other covered countries; and
2. To advance the comparative leadership of the United States with respect to China, or support United States innovation, employment, and technological standards, through direct exports in ten transformational export categories.

Ironbark has set out a case for its prospective project loan to be considered Section 402 compliant, which if EXIM determines to be the case, will mean an expanded range of credit terms may be made available to Ironbark as part of its loan facility. For clarity, two separate approvals would be required for this to occur (being credit approval and approval from the team administering the Section 402 program).

Timing & Process

EXIM Bank will be appointing one or more technical reviewers to assist it during the due diligence period; the cost of which will be borne by Ironbark as Project Sponsor. Once appointed, EXIM generally guide Project Sponsors to expect due diligence to run for up to a further forty-five business days.

If a positive initial credit decision is made by EXIM Bank Ironbark will receive a “Preliminary Project Letter” that will include items such as what level of debt support EXIM Bank is willing to make, loan term, interest rate, amount of project equity required and other conditions typical of such a facility (including EXIM Board Approval).

Equity Strategy

Project equity will be one of the conditions precedent that IBG will need to satisfy to drawdown any approved EXIM debt facility. Whilst early conversations are currently underway with prospective equity investors, these are exploratory in nature only and it is the intention of the Board to wait for EXIM’s initial credit decision before moving these to a more formal basis as the equity ask, and returns, will be much clearer post PPL (if EXIM determine to issue one to Ironbark).

Further Updates

Ironbark will advise shareholders of further material progress relating to its EXIM application, and the development of Citronen in general, at the earliest possible 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.