



Half-Year Report

For the Period Ended 31 December 2022



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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Ironbark Zinc Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



Corporate Directory

Non-Executive Chairman

Frederick Hess

Managing Director

Michael Jardine

Non-Executive Directors

Alexander Downer AC
Paul Cahill

Company Secretary

Jonathan Whyte

Principal & Registered Office

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Auditors

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West Perth WA 6005

Share Registry

Automic Group
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Perth WA 6000
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Stock Exchange

Australian Securities Exchange (ASX)
Code: IBG, IBGO

Website

www.ironbark.gl



Directors' Report

Your Directors present their report on Ironbark Zinc Limited (the '**Company**' or '**Ironbark**') and its controlled entities (together the '**Consolidated Entity**') for the half-year ended 31 December 2022.

Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Frederick Hess
- Michael Jardine
- Alexander Downer AC
- Paul Cahill

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the half-year were the exploration and evaluation of the Consolidated Entity's base and precious metal ground holdings. There were no significant changes in the nature of the Consolidated Entity's principal activities during the half-year.

Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax amounted to \$47.06 million (31 December 2021: \$1.35 million), including an impairment provision against the Citronen project of \$45.56 million.

Review of Operations

Projects

Citronen Base Metals Project, Greenland

Overview

The Company's 100% owned flagship Citronen Zinc-Lead Project in Greenland (**Citronen**) is one of the world's largest undeveloped zinc deposits. Ironbark holds a granted 30-year Mining Permit over the deposit, and in 2020 declared a JORC compliant maiden Ore Reserve.

The Company's main focus during the reporting period has been to progress project financing discussions with US EXIM Bank. Reflecting the scale of the Citronen Project, Ironbark's negotiations with EXIM are now a multi-year endeavour first beginning with the LOI in 2020, application and preliminary debt approval in 2021 and detailed financial, technical, social & environmental due diligence taking place in 2022.

The Company holds concentrate offtake agreements with major shareholders Glencore Plc and Trafigura such that 70% of the Zinc concentrate to be produced from Citronen is committed.



Directors' Report (continued)

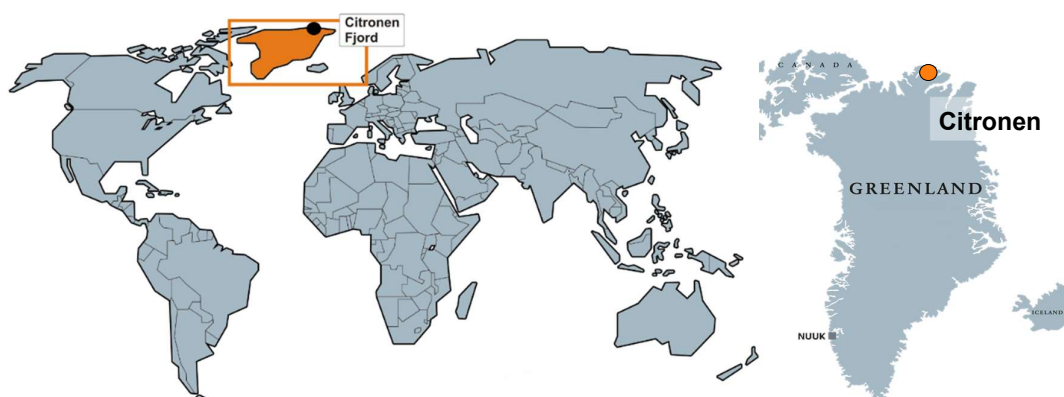


Figure 1 - Citronen Base Metals Projects, Greenland

US EXIM Bank Due Diligence Conclusions

Following the EXIM site visit in July and the 2022 due diligence program EXIM highlighted the following conclusions, as detailed in the ASX announcement on 12 December 2022:

- Due diligence remains incomplete at present with most of the work in 2022 focused on the financial, technical, environmental and social categories. These areas, in Ironbark's view, comprise the main risk elements of a typical mining project.
- As previously disclosed, market and shipping have not yet begun nor have key commercial elements been fully interrogated given the current state of maturity of the Project (e.g. no signed EPC agreement, no binding equity commitments made etc).
- Full Technical and E&S Risk Tables have been prepared. No issues were identified that EXIM thought Ironbark would be unable to successfully mitigate against.
- EXIM expressed its ongoing commitment to the Citronen Project, with it remaining formally listed as a pending project on their public records.

The main work streams flagged in the risk tables as requiring further attention by Ironbark include:

1. Infill drilling in the Esum Zone to upgrade resource tonnes from Inferred to Measured & Indicated.
2. Additional geotechnical drilling including in the proposed infrastructure zones.
3. New flora, fauna, hydrology and hydrogeology survey data to be captured, with a baseline requirement of a minimum of two years (inclusive of existing data).
4. More recent stakeholder and social engagement consultation to be completed, this can be done year-round and does not require any work at the Project site itself.

With regard to these points, Ironbark advised the following:

Esum Drilling

Infill drilling at Esum is, in Ironbark's view, a relatively low risk exercise. It may not necessarily affect the bankability of the Project in its start-up phase, given where Esum sits in the schedule, but does have the potential to lift the Reserve life from the



Directors' Report (continued)

current 14 years to up to 20 years. This may allow for a much-extended loan tenor to be negotiated (currently proposed for 8.5 years, EXIM have the capacity to loan for up to 14 years) which will greatly strengthen overall project cashflows.

New Baseline Monitoring

Expectations around the scope and quality of data required regarding all ESG related issues have increased substantially since most of Ironbark's field work was completed between 2007 and 2011. As such, Ironbark sees this as a largely procedural issue with no new issues having yet been identified through the due diligence, rather additional longitudinal data now needs to be captured.

Social Engagement

Ironbark enjoys very strong relationships in-country and as part of its EIA & SIA approvals (both of which are already granted) the Project received the official support of every single municipality in Greenland. Citronen was the first and still only mining project to have obtained such a broad and definitive signal of support from the citizenry of Greenland. Furthermore, the local region (broadly North-East Greenland) is home to less than 30 permanent residents, all of whom are serving members of the Danish military. Nonetheless Ironbark has elected to conduct further stakeholder engagements to add yet more robustness to its social licence to operate following discussions with US EXIM's adviser on this issue.

Ironbark's view, which has been shared with EXIM Bank, is the field work to address these concerns could be completed in a single season subject to funding being available. Furthermore, Ironbark's position that its 2021 Bankable Feasibility Study was completed with sufficient rigour is unchanged, and the Board's view is that these issues are not unusual when negotiating with project lenders.

LNS Update

Ironbark's prospective equity and operating partner at the Citronen Project, LNS A/S, also participated in the site visit as part of their continuing due diligence process foreshadowed under the MOU signed in May 2022. The MOU contemplates various commercial arrangements including LNS either acquiring or earning an equity stake in the Project, along with being granted preferred contractor status for several of the key commercial elements of the Project including Logistics, Civil Construction and Mining.

Ironbark continues to believe LNS, with its long and successful history of operating in permafrost environments, is uniquely suited to partnering at Citronen but at the time of this report no further agreements pursuant to the MOU have been reached. Discussions with LNS are continuing and further guidance will be provided as and when it is available.

Revised JV Partner Search

Ironbark ran a formal process during much of 2022, in parallel to its EXIM funding application, targeting a decision to proceed being reached during the 2022 calendar year. The timing of this decision was extended to a yet to be determined date in the ASX announcement dated 11 August 2022, after which the Strategic Equity Process continued at a much-reduced intensity (including discussions with LNS as noted above).

The recently concluded EXIM Due Diligence analysis gave rise to a new, much more targeted JV partner search that will be a key priority for management in the coming quarters. Any JV transaction is likely to focus initially on funding for upcoming field seasons, aimed at both EXIM de-risking plus potentially further exploration work, with any decision to proceed to mining being subject to various further milestones yet to be agreed.

Areas of high priority for any new exploration work conducted by Ironbark and/or any future JV partners include:



Directors' Report (continued)

- Capture of new geo-physical data aimed at large scale and/or deeper target identification
- Stream sampling of all watercourses, and a re-evaluation of historic exploration work, to further understand known occurrences of other metals
- Further drilling at high grade Beach North zone, which remains open in almost all directions laterally and at depth
- Identification, and prioritisation, of deeper magnetic drill targets based off historic and newly captured geophysical data
- Further work on the XX deposit to understand potential for more tonnes given it contains the highest known grades anywhere on the Project (25-30% Zn)

Impairment

The Consolidated Entity assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that the disparity between the market capitalisation of the Company at 31 December 2022 and the net assets of the Consolidated Entity was an impairment indicator under AASB 136 *Impairment of Assets*. With the EXIM funding process ongoing but still incomplete, the Consolidated Entity has conservatively recognised a provision for impairment of \$45.56 million in relation to the Citronen Project to better align the carrying value with the Company's market capitalisation in accordance with AASB 6 *Exploration and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets*. The associated expense is included in the statement of profit or loss and other comprehensive income.

Fiery Creek, Australia

The field reconnaissance visit conducted during December 2022 was designed to re-establish site access to the Fiery Creek Project area, located approximately 90km south, south-east of Canberra in New South Wales, after several years of very inclement weather in the region (fires and more recently floods). The visit was successful with a new route being established into the area that can be accessed by field personnel in the future.

Whilst in the project area, several historic workings were visited and a portable X-ray fluorescence (pXRF) machine used to take readings from mullock dumps. The pXRF was not able to take gold readings, only base metal readings. The mineralisation comprised quartz veins and pods in and around the workings that were hosted in interbedded, strongly cleaved and locally folded and crenulated siltstones and sandstones. Quartz veins occasionally contained coloured Fe-oxide minerals with rare boxwork (likely after pyrite) textures, and in one case, weathered arsenopyrite blebs.

Significant readings taken with a portable XRF included:

- o FCW4 – 7.1% Cu (Nb: pXRF on base metals program only, not Au)
- o FCW9 – 4.5% Cu, 1.2% Zn
- o FCW5 – 3.4% Cu

Refer to the ASX announcement released on 16 December 2022 for further information.

JORC Table 1 included in an announcement to the ASX released on 16 December 2022: "Fiery Creek Field Program Underway; High Grade Copper found at surface". Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the results 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.



Directors' Report (continued)

Captains Flat (EL 6381), Australia

No work occurred on the Captains Flat Project (held in a 50/50 JV with Glencore) in the reporting period.

Corporate

Strongly Supported Capital Raise Sees Ironbark Zinc Raise \$1.5 Million

In October 2022 the Company completed a strongly supported capital raise raising \$1.5 million through the issue of 142,857,143 fully paid ordinary shares at \$0.0105 per share (Placement). A 1-for-4 attaching option was also issued (strike price \$0.022, 3-year expiry).

The proceeds of the Placement are being used for field work at Fiery Creek, ongoing activities directed at the Citronen Project Financing process and for general working capital purposes.

Peak Asset Management acted as Lead Manager to the Placement.

At the end of the half-year, cash available to the Company was \$1.93 million (30 June 2022: \$2.92 million).

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Events After Reporting Date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

Competent Person's Statement

The information included in this report relates to Exploration Targets, Exploration Results & Mineral Resources based on information compiled or reviewed by Ms Elizabeth Clare Laursen (B. ESc (Hons.), MAIG, MSEG, GradDipAppFin), 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 is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Targets, Exploration Results, Mineral Resources. 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'.



Directors' Report (continued)

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 Person's Disclosure

Ms Laursen is an employee of Ironbark Zinc Limited and currently holds securities in the company.

Likely Developments and Expected Results of the Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental Regulations

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2022 has been received and can be found on page 9 of the financial report.

Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'M. Jardine'.

Michael Jardine
Managing Director
14 March 2023

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF IRONBARK ZINC LIMITED**

In relation to our review of the financial report of Ironbark Zinc Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS
PARTNER

14 MARCH 2023,
WEST PERTH,
WESTERN AUSTRALIA

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IRONBARK ZINC LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ironbark Zinc Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2022, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ironbark Zinc Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter - Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$47,064,464 (2021: \$1,354,694) and operating cash outflows of \$1,732,717 (2021: \$668,000) during the year ended 31 December 2022. This condition, along with other matters as set out in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SHANE CROSS
PARTNER

14 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2022

	31-Dec 2022	31-Dec 2021
Notes	\$'000	\$'000
Other revenue	4	-
Corporate and compliance expense	(338)	(178)
Employee benefits expense	(234)	(233)
Consulting expense	(64)	(69)
Share-based payments expense	9 (312)	(583)
Impairment expense	3 (45,560)	-
Finance expense	(581)	(268)
Foreign exchange gain/(loss)	21	(23)
Loss before income tax	(47,064)	(1,354)
Income tax expense	-	-
Loss for the period	(47,064)	(1,354)
Other comprehensive profit/(loss), net of income tax		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations	46	(920)
Other comprehensive profit/(loss), net of income tax	46	(920)
Total comprehensive loss for the period	(47,018)	(2,274)
Loss per share		
Basic and diluted loss per share (cents)	(3.47)	(0.11)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Financial Position

As at 31 December 2022

		31-Dec 2022	30-Jun 2022
	Notes	\$'000	\$'000
Current Assets			
Cash and cash equivalents		1,929	2,919
Trade and other receivables		57	22
Financial assets		10	10
Total Current Assets		<u>1,996</u>	<u>2,951</u>
Non-Current Assets			
Exploration and evaluation expenditure	3	10,381	55,269
Property, plant and equipment		3	4
Other assets	2	2,959	2,863
Total Non-Current Assets		<u>13,343</u>	<u>58,136</u>
Total Assets		<u>15,339</u>	<u>61,087</u>
Current Liabilities			
Trade and other payables	4	594	1,118
Provisions		46	42
Other liabilities	5	1,510	1,463
Total Current Liabilities		<u>2,150</u>	<u>2,623</u>
Total Liabilities		<u>2,150</u>	<u>2,623</u>
Net Assets		<u>13,189</u>	<u>58,464</u>
Equity			
Issued capital	6	139,537	137,558
Reserves	7	2,228	2,418
Accumulated losses		(128,576)	(81,512)
Total Equity		<u>13,189</u>	<u>58,464</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

Notes	Issued Capital \$'000	Share-based payment reserve \$'000	Foreign translation reserve \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2022	137,558	1,072	1,346	(81,512)	58,464
Loss for the period	-	-	-	(47,064)	(47,064)
Other comprehensive profit/(loss)					
Exchange differences arising on translation of foreign operations	-	-	46	-	46
Total comprehensive profit/(loss) for the period	-	-	46	(47,064)	(47,018)
Transactions with owners, recorded directly in equity					
Issue of share capital	6	1,500	-	-	1,500
Share-based payments	6, 9	45	290	-	335
Conversion of Performance Rights	6	556	(556)	-	-
Costs of capital	9	(122)	30	-	(92)
Total transactions with owners		1,979	(236)	-	1,743
Balance as at 31 December 2022	139,537	836	1,392	(128,576)	13,189
Balance as at 1 July 2021	133,807	-	3,638	(77,774)	59,671
Loss for the period	-	-	-	(1,354)	(1,354)
Other comprehensive loss					
Exchange differences arising on translation of foreign operations	-	-	(920)	-	(920)
Total comprehensive loss for the period	-	-	(920)	(1,354)	(2,274)
Transactions with owners, recorded directly in equity					
Issue of share capital	6	4,350	(215)	-	4,135
Share-based payments	6, 9	60	519	-	579
Costs of capital	9	(660)	380	-	(280)
Total transactions with owners		3,750	684	-	4,434
Balance as at 31 December 2021	137,557	684	2,718	(79,128)	61,831

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Cashflows

For the Half-Year Ended 31 December 2022

	31-Dec 2022	31-Dec 2021
Notes	\$'000	\$'000
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,737)	(667)
Interest paid	-	(1)
Other receipts	4	-
Net cash flows used in operating activities	(1,733)	(668)
Cash Flows from Investing Activities		
Payments for exploration and evaluation	(665)	(744)
Net cash flows used in investing activities	(665)	(744)
Cash Flows from Financing Activities		
Proceeds from issue of shares	1,500	4,000
Payments for share issue costs	(92)	(280)
Net cash flows generated from financing activities	1,408	3,720
Net increase/(decrease) in cash and cash equivalents	(990)	2,308
Effect of exchange rates on cash	-	-
Cash and cash equivalents at the beginning of financial period	2,919	2,528
Cash and cash equivalents at the end of the financial period	1,929	4,836

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Condensed Notes to the Financial Statements

For the Half-Year Ended 31 December 2022

Note 1. Statement of Significant Accounting Policies

Statement of Compliance

Ironbark Zinc Limited (the '**Company**') is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The half-year consolidated financial report of the Company for the six months ended 31 December 2022, comprise the Company and its subsidiaries (the '**Consolidated Entity**' or '**Group**').

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Ironbark Zinc Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half-year financial statements were authorised for issue in accordance with a resolution of the directors on 14 March 2023.

Basis of Preparation

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2022. Those accounting policies comply with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern Basis

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss after tax of \$47.06 million for the period ended 31 December 2022 (31 December 2021: \$1.35 million), including an impairment provision against the Citronen project of \$45.56 million. As at 31 December 2022 the Consolidated Entity had net assets of \$13.19 million (30 June 2022: \$58.46 million) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2022 the Consolidated Entity had \$1.93 million (30 June 2022: \$2.92 million) in cash and cash equivalents and a working capital deficit of \$0.15 million (30 June 2022: surplus of \$0.33 million).



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

The ability of the Consolidated Entity to fund its working capital and exploit its exploration assets will depend on raising necessary funding in the future. Should the Consolidated Entity be unable to successfully complete the raising of these additional funds, there would be a material uncertainty which may cast significant doubt over the Consolidated Entity ability to continue as a going concern. As at 31 December 2022 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Consolidated Entity not continue as a going concern.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Consolidated Entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. No significant impact is expected from the adoption of the new, revised or amended Accounting Standards.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Significant Accounting Estimates, Judgements and Assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) *Share based payment transactions*

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

(ii) *Carrying value of exploration and evaluation assets*

The Consolidated Entity assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that the disparity between the market capitalisation of the Company at 31 December 2022 and the net assets of the Consolidated Entity was an impairment indicator under AASB 136 *Impairment of Assets*. Reflecting the scale of the Citronen Project, Ironbark's negotiations with EXIM are now a multi-year endeavour first beginning with the LOI in 2020, application and preliminary debt approval in 2021 and detailed financial, technical, social & environmental due diligence taking place in 2022. With the EXIM funding process ongoing but still incomplete, the Consolidated Entity has conservatively recognised a provision for impairment of \$45.56 million in relation to the Citronen Project to better align the carrying value with the Company's market capitalisation in accordance with AASB 6 *Exploration and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets*. The associated expense is included in the statement of profit or loss and other comprehensive income.



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respects to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Note 2. Other Assets

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Non-Current		
Environmental bond ¹	2,904	2,808
Security deposits	55	55
Total Non-Current Other Assets	2,959	2,863

Notes:

- Over the period July 2018 to December 2019, IBG transferred approximately 14 million Danish Kroner (DKK) into a Greenlandic escrow account to cover the potential rehabilitation of the exploration camp at Citronen. This cash is currently static and IBG has no further site works planned in 2022 due to travel restrictions into Greenland.

The Government of Greenland agreed to allow IBG to redraw 50% of the escrowed funds over May and June 2020, being AUD \$1.518 million (DKK 6.63 million). The key condition of drawdown is that these funds are reinstated no more than 24 months later provided that the Citronen exploration camp is still potentially in need of rehabilitation. Under the prevailing government conditions, if the Citronen project moves into development within the next 24 months, then it is likely that a revised bonding regime will be re-instated.

As at 31 December 2022, non-current environmental bond assets consist of Greenland escrow account balance of AUD \$1.39 million and repayable non-cash balance of \$1.51 million. The repayable amount is reflected as a current liability at Note 5.

Note 3. Exploration and Evaluation Expenditure

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Movement in Carrying Value:		
Balance at the beginning of the period	55,269	56,829
Exploration expenditure capitalised during the period	628	729
Foreign exchange movement on translation	44	(2,285)
Provision for impairment ¹	(45,560)	(4)
Carrying Amount at the End of the Period	10,831	55,269



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

The carrying value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

Notes:

1. The Consolidated Entity assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that the disparity between the market capitalisation of the Company at 31 December 2022 and the net assets of the Consolidated Entity was an impairment indicator under AASB 136 *Impairment of Assets*.

Reflecting the scale of the Citronen Project, Ironbark's negotiations with EXIM are now a multi-year endeavour first beginning with the LOI in 2020, application and preliminary debt approval in 2021 and detailed financial, technical, social & environmental due diligence taking place in 2022. With the EXIM funding process ongoing but still incomplete, the Consolidated Entity has conservatively recognised a provision for impairment of \$45.56 million in relation to the Citronen Project to better align the carrying value with the Company's market capitalisation in accordance with AASB 6 *Exploration and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets*. The associated expense is included in the statement of profit or loss and other comprehensive income.

Note 4. Trade and Other Payables

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Current		
Trade payables	295	621
Sundry payables and accrued expenses	298	497
Total Trade and Other Payables	593	1,118

Note 5. Other Liabilities

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Current		
Environmental bond payable ¹	1,510	1,463
Total Current Liabilities	1,510	1,463

Notes:

1. Over the period July 2018 to December 2019, IBG transferred approximately 14 million Danish Kroner (DKK) into a Greenlandic escrow account to cover the potential rehabilitation of the exploration camp at Citronen.

The Government of Greenland agreed to allow IBG to redraw 50% of the escrowed funds over May and June 2020, being AUD \$1.518 million (DKK 6.63 million). The key condition of drawdown is that these funds are reinstated no more than 24 months later provided that the Citronen exploration camp is still potentially in need of rehabilitation. Under the prevailing government conditions, if the Citronen project moves into development within the next 24 months, then it is likely that a revised bonding regime will be re-instated.

Refer to Note 2 Other Assets for details of environmental bond assets at 31 December 2022.



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Note 6. Issued Capital

A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.

1,466,784,265 fully paid ordinary shares (2022: 1,307,102,427)
Less: capital raising costs

31-Dec 2022 \$'000	30-Jun 2022 \$'000
--------------------------	--------------------------

144,533	142,432
(4,996)	(4,874)
139,537	137,558

a) Ordinary Shares – Number of Shares

At the beginning of the reporting period
Shares issued during the period:

- Placement¹
- Conversion of performance rights²
- Shares issued to Directors³
- Shares issued to advisors

Total at the end of the reporting period

31-Dec 2022 No.	30-Jun 2022 No.
-----------------------	-----------------------

1,307,102,427	1,202,791,694
142,857,143	90,909,091
12,750,000	5,000,000
4,074,695	-
-	8,401,642
1,466,784,265	1,307,102,427

b) Ordinary Shares – Value of Shares

At the beginning of the reporting period
Shares issued during the period:

- Placement¹
- Conversion of performance rights²
- Shares issued to Directors³
- Shares issued to advisors

Total at the end of the reporting period

31-Dec 2022 \$'000	30-Jun 2022 \$'000
--------------------------	--------------------------

142,432	138,001
1,500	4,000
556	215
45	-
-	216
144,533	142,432

Notes:

1. In October 2022, the Company completed a strongly supported capital raise raising \$1.5 million through the issue of 142,857,143 fully paid ordinary shares at \$0.0105 per share (Placement). A 1-for-4 attaching listed option was also issued (strike price \$0.022, 3-year expiry). 35,714,286 listed options (IBGO.AX) were issued on 7 November 2022 at a listing price of \$0.005.
2. On 22 November 2022 the Company issued 12,750,000 fully paid ordinary shares to employees of the Company on conversion of vested Tranche A and B Performance Rights. The Performance Rights Tranche A vesting milestone was successfully achieved on 8 December 2021, being the Company receiving a positive initial credit decision from EXIM Bank in the form of a Preliminary Project Letter. The Performance Rights Tranche B vesting milestone was successfully achieved on 8 October 2022, being the employees remaining employed with the Company for 12 months from the date of issue of the performance rights.
3. On 29 November 2022 the Company issued 4,074,695 fully paid ordinary shares at an issue price of \$0.011 per share in lieu of director's fees.



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called.

Note 7. Reserves

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Share-based payments reserve ^(a)	836	1,072
Foreign currency reserve ^(b)	1,392	1,346
Total Reserves	2,228	2,418

a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses as the value of employee shares and consultants' options are brought to account.

A reconciliation of the movement in the share-based payments reserve as at 31 December 2022 is as follows:

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
At the beginning of the reporting period	1,072	-
Share-based payments expense (Note 9)	290	907
Share-based payment – costs of capital (Note 9)	30	380
Conversion of Performance Rights (Note 6)	(556)	(215)
Total at the End of the Reporting Period	836	1,072

b) Foreign Currency Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
At the beginning of the reporting period	1,346	3,638
Exchange differences arising on translation of foreign operations	46	(2,292)
Total at the End of the Reporting Period	1,392	1,346



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Note 8. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and Managing Director (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Greenland. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(d) Unallocated items

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Geographical Information

	31-Dec 2022 \$'000	30-Jun 2022 \$'000
Non-Current Assets		
Australia	3,021	2,917
Greenland	10,322	55,219
Total Non-Current Assets	13,343	58,136



Condensed Notes to the Financial Statements (continued)
For the Half-Year Ended 31 December 2022

	Australia \$'000	Greenland \$'000	Total \$'000
31 December 2022			
Revenue			
Unallocated Revenue			
Other revenue	-	-	4
Total Revenue	-	-	4
Expenses			
Impairment expense	-	(45,560)	(45,560)
Allocated Segment Expenses	-	(45,560)	(45,560)
Unallocated Expenses			
Corporate and compliance expense	-	-	(338)
Employee benefits expense	-	-	(234)
Consulting expense	-	-	(64)
Share-based payments expense	-	-	(312)
Finance expense	-	-	(581)
Foreign exchange gain	-	-	21
Income tax expense	-	-	-
Loss for the Period	-	-	(47,064)
Segment Assets			
Cash and cash equivalents	1,827	102	1,929
Trade and other receivables	57	-	57
Financial assets	10	-	10
Exploration and evaluation expenditure	59	10,322	10,381
Property, plant and equipment	3	-	3
Other assets	55	2,904	2,959
Total Assets	2,011	13,328	15,339
Segment Liabilities			
Trade and other payables	594	-	594
Provisions	46	-	46
Other liabilities	-	1,510	1,510
Total Liabilities	640	1,510	2,150



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

	Australia \$'000	Greenland \$'000	Total \$'000
31 December 2021			
Revenue			
Unallocated Revenue			
Other revenue	-	-	-
Total Revenue	-	-	-
Expenses			
Impairment expense	-	-	-
Allocated Segment Expenses	-	-	-
Unallocated Expenses			
Corporate and compliance expense	-	-	(178)
Employee benefits expense	-	-	(233)
Consulting expense	-	-	(69)
Share-based payments expense	-	-	(583)
Finance expense	-	-	(268)
Foreign exchange loss	-	-	(23)
Income tax expense	-	-	-
Loss for the Period	-	-	(1,354)
30 June 2022			
Segment Assets			
Cash and cash equivalents	2,820	99	2,919
Trade and other receivables	22	-	22
Financial assets	10	-	10
Exploration and evaluation expenditure	50	55,219	55,269
Property, plant and equipment	4	-	4
Other assets	55	2,808	2,863
Total Assets	2,961	58,126	61,087
Segment Liabilities			
Trade and other payables	1,118	-	1,118
Provisions	42	-	42
Other liabilities	-	1,463	1,463
Total Liabilities	1,159	1,463	2,623



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Note 9. Share-Based Payments

	31-Dec 2022 \$	31-Dec 2021 \$
Performance rights ^{1,2}	104,384	458,473
Loan shares ³	185,409	60,745
Director fees in lieu of cash ⁴	22,500	-
Advisor fees in lieu of cash	-	64,191
Total Share-Based Payments – P&L	312,293	583,409
Advisor fees in lieu of cash ⁵	30,000	380,277
Total Share-Based Payments – Equity (Costs of Capital)	30,000	380,277

Notes:

- On 8 October 2021, 10,000,000 performance rights were issued in two tranches to employees of the Company. They vest in two equal tranches, subject to the Company receiving a positive initial credit decision from EXIM Bank within 12 months of the date of issue of the performance rights and the employees remaining employed with the Company for 12 months from the date of issue of the performance rights. The rights were valued using the Black-Scholes option valuation model and are being expensed over the vesting period of the rights. On 8 December 2021, the Performance Rights Tranche A vesting milestone was achieved. On 8 October 2022, the Performance Rights Tranche B vesting milestone was achieved for 4,750,000 rights and 250,000 rights were cancelled.

Valuation and Assumptions of Performance Rights:

	Tranche A	Tranche B
Grant date	8 Oct 2021	8 Oct 2021
Number	5,000,000	5,000,000
Share price	\$0.043	\$0.043
Exercise price	\$0.00	\$0.00
Vesting date	8 Oct 2022	8 Oct 2022
Expiry date	8 Oct 2022	8 Oct 2022
Volatility	115.73%	115.73%
Option life	1.00	1.00
Dividend yield	-	-
Risk-free interest rate	0.10%	0.10%
Value per right	\$0.043	\$0.043
Total fair value	\$215,000	\$215,000
Expense vested during period	-	\$48,154

- On 29 November 2021, 8,000,000 performance rights were approved for issue to Managing Director, Mr Michael Jardine at the Company's Annual General Meeting. They vest in two equal tranches, subject to the Company receiving a positive initial credit decision from EXIM Bank within 12 months of the date of issue of the performance rights and Mr Jardine remaining employed with the Company for 12 months from the date of issue of the performance rights. The rights were valued using the Black-Scholes option valuation model and are being expensed over the vesting period of the rights. On 8 December 2021, the Performance Rights Tranche A vesting milestone was achieved. On 8 October 2022, the Performance Rights Tranche B vesting milestone was achieved



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Valuation and Assumptions of Performance Rights:		
	Tranche A	Tranche B
Grant date	29 Nov 2021	29 Nov 2021
Number	4,000,000	4,000,000
Share price	\$0.044	\$0.044
Exercise price	\$0.00	\$0.00
Vesting date	8 Oct 2022	8 Oct 2022
Expiry date	8 Oct 2022	8 Oct 2022
Volatility	115.73%	115.73%
Option life	0.86	0.86
Dividend yield	-	-
Risk-free interest rate	0.10%	0.10%
Value per right	\$0.044	\$0.044
Total fair value	\$176,000	\$176,000
Expense vested during period	-	\$56,230

3. On the 29 October 2021, the Company announced that the vesting condition for the advance of 30,000,000 loan share to Managing Director, Mr Michael Jardine, and 15,000,000 loan shares to the Chairman Dr Frederick Hess, being a 20-day volume weighted average price (VWAP) condition of \$0.046 per share, had been met. This represented a 100% uplift from the 20-day VWAP of the Company's shares prior to the date of the 2020 Annual General Meeting (2020 AGM).

Unless otherwise agreed, these loan shares can now be issued to Mr Jardine and Dr Hess, in accordance with the terms and conditions detailed in the Notice of Annual General Meeting released on the ASX on 27 October 2020. The limited recourse loans must be repaid within three years of the date of the 2020 AGM. As at 31 December 2022 no loan shares have been advanced.

On 29 November 2021, a further 8,000,000 loan shares were approved for advance at the Annual General Meeting to Non-Executive Directors Mr Alexander Downer AC (4,000,000 loan shares) and Mr Paul Cahill (4,000,000 loan shares). The limited recourse loans were valued independently using the Hoadley option valuation model and are being expensed over the term of the loans. As at 31 December 2022 no loan shares have been advanced.

Valuation and Assumptions of Loan Shares:		
	Tranche A	Tranche B
Grant date	27 Nov 2020	29 Nov 2021
Maximum number to be issued	45,000,000	8,000,000
Share price	\$0.0230	\$0.0410
Exercise price	\$0.0229	\$0.0423
Barrier price	\$0.0460	\$0.0460
Vesting date	N/A	N/A
Expiry date	27 Nov 2023	27 Nov 2024
Volatility	100%	100%
Option life	3.00	3.00
Dividend yield	-	-
Risk-free interest rate	0.11%	0.92%
Value per loan share	\$0.0139	\$0.0251
Total fair value	\$625,500	\$200,800
Expense vested during period	\$151,636	\$33,773



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

4. On 29 November 2022, the Company issued 4,074,695 fully paid ordinary shares at an issue price of \$0.011 per share in lieu of director's fees. Of the total fair value of \$45,000, \$18,750 related to the current financial period. Additional amounts for Mr Hess' equity-based remuneration for the current financial period have been accrued as at 31 December 2022. Issue of the fully paid ordinary shares is subject to shareholder approval at the Company's Annual General Meeting.
5. On 28 November 2022, 6,000,000 listed options (IBGO.AX) were approved for issue to Peak Asset Management Pty Ltd as Lead Manager to the Placement by shareholders at the Company's Annual General Meeting. The options have an exercise price of \$0.022 and will expire 3 years from date of issue. The options have been accrued at market price on date of listing and expensed as a cost of capital. As at the date of this report the options have not been issued.

Valuation and Assumptions of Options:

	Options
Grant date	28 Nov 2022
Number	6,000,000
Exercise price	\$0.022
Expiry date	28 Nov 2025
Option life	3.00
Listed option price	\$0.005
Total fair value	\$30,000
Expense vested during period	\$30,000

Note 10. Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		31-Dec 2022	30-Jun 2022
Parent Entity			
Ironbark Zinc Limited	Australia	100%	100%
Subsidiaries of Ironbark Zinc Limited:			
Ironbark Zinc Pty Ltd	Australia	100%	100%
Doctor Evil Pty Ltd	Australia	100%	100%
Ironbark Aust Pty Ltd	Australia	100%	100%
Bedford (No 3) Ltd	British Virgin Islands	100%	100%
Subsidiaries of Ironbark Aust Limited:			
Ironbark A/S	Greenland	100%	100%

There were no acquisitions or disposals of controlled entities during the period.



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2022

Note 11. Key Management Personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Note 12. Dividends

No dividends have been declared or paid during the half-year ended 31 December 2022.

Note 13. Contingent Assets and Liabilities

There has been no change to contingent liabilities since the last annual reporting date.

Note 14. Events After Reporting Date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.



Directors' Declaration

For the Half-Year Ended 31 December 2022

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 28 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Michael Jardine
Managing Director
14 March 2023