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Ironbark Receives Letter of Interest from Export-Import Bank of the United States

Ironbark Zinc Limited (“**Ironbark**”, “**the Company**” or “**IBG**”) is pleased to update its shareholders with respect to the project financing plan for its 100% owned Citronen Zinc-Lead Project in Greenland (“Citronen” or “the Project”). Ironbark has completed execution of a Letter of Interest (“**LOI**”) with the Export Import Bank of the United States (“**EXIM**”), the official export credit agency of the United States federal government.

While the LOI is non-binding and does not represent an official commitment from EXIM, Ironbark views it as an important step in advancing a project financing plan for the development of the world class Citronen zinc/lead deposit. The execution of this LOI represents the culmination of initial discussions between the parties in which the representatives of EXIM were made familiar with the project and Ironbark’s proposed development plans.

Key Commercial Terms

- EXIM is able to consider financing up to **USD 216,125,000** of the US content for the Project
- 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 set at the Commercial Interest Reference Rate (“**CIRR**”). The CIRR is the official lending rates of export credit agencies (“**ECAs**”). For USD loans, it is calculated monthly, and is based on the U.S. Treasury Rate. The current CIRR for transactions with a repayment period of 8.5 years is 1.46%.
- 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

IBG Managing Director Michael Jardine:

“The execution of this LOI is another significant, and potentially transformational, milestone in the Ironbark journey towards Citronen’s development and the long-promised move from developer to producer.”

Over the past six months, Ironbark has engaged with EXIM representatives to better understand each other’s business and to promote the alignment of our respective strategic goals, steadily building the foundations for a long-term relationship. The Company could not ask for a better potential counterparty than EXIM, being the official export credit agency of the US government.

EXIM’s mission is to support American jobs by facilitating the export of U.S. goods and services. We view Citronen as representing a vanguard opportunity for U.S. exporters to participate in a major mining development in Greenland. EXIM has extensive experience in backing responsible mining developments and Ironbark looks forward to conforming with the bank’s high standards for environmentally and socially responsible mining.

Ironbark intends to maintain this initial momentum by pursuing similar arrangements with other relevant ECA and commercial lenders. When the feasibility study is completed in early 2021 to a bankable standard, Ironbark will then seek to convert these preliminary arrangements into binding financing agreements for the development of Citronen.”

Permanent Secretary Jørgen Hammeken-Holm, Ministry of Mineral Resources, Government of Greenland further comments:

“The Government of Greenland is of course delighted to see EXIM’s expression of interest in supporting Ironbark, which reinforces the company’s longstanding commitment to the Citronen Project, and Greenland more broadly. As one of the country’s flagship resource projects, Citronen represents a unique near-term opportunity to diversify Greenland’s economic base and attract significant inbound foreign investment.

We are fully supportive of the Ironbark Board and look forward to continuing our good relationship with the Company as activity progresses further in 2021.”

Process and Impact on Ironbark Strategy

The current 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.

EXIM Overview & Precedent Transaction

EXIM is the official ECA of the United States. EXIM is an independent Executive Branch agency with a mission of supporting American jobs by facilitating the export of U.S. goods and services.

As published in its 2019 Annual Report, EXIM has current exposure to USD55 billion in lending across 161 countries around the world. The default rate across the portfolio is under 0.5%, reflecting the high standards of credit required to obtain EXIM financing. Furthermore, EXIM’s charter requires that it supplement and encourage, not displace, private capital.

In Australia, EXIM’s most well-known investment was its USD635 million participation in Hancock Prospecting’s Roy Hill Debt Consortium in 2014. This \$7.2 billion total facility was the largest ever Project financing for a land based mining project at that time, and EXIM participated (alongside a consortium of other ECAs and commercial banks) to support the purchase of mining and rail equipment from Caterpillar, General Electric and Atlas Copco.

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.