

2 February 2021

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

Ironbark Executes Buyback of Life of Mine Production Royalty

Ironbark Zinc Limited (“Ironbark”, “the Company” or “IBG”) is pleased to update its shareholders with respect to the buyback of the Citronen Production Royalty (“Royalty”).

Highlights

- Life of Mine (LOM) 2.5% Net Smelter Return (NSR) Royalty now extinguished in full;
- Likely to be value accretive at a Project level
- IBG welcomes major new shareholder group with long and successful track record of investing in mining assets globally

IBG Managing Director Michael Jardine commented:

“This represents another transformational step forward in converting Citronen from opportunity to reality, and an extremely positive outcome for all IBG shareholders.

With the royalty cashflows now available to support project development, the updated 2021 BFS will for the first time reflect the genuine underlying value of this highly strategic asset. This is a very constructive development during a time of generally rising commodity prices.

The potential for Citronen to become the next major greenfield zinc mine development is clearly demonstrated by the high quality of Ironbark’s shareholder base, the recent support of UK based Bacchus Capital, and the encouraging dialogue established with the US Government backed EXIM Bank, culminating in the recently announced EXIM financing MOU.

The Board, in place since late 2019, is very focused on rewarding shareholders for their long-term commitment to this highly strategic asset and I look forward to further updating the market with positive progress over 2021.”

Commercial Terms

IBG has agreed to pay Pearyland Royalties Co. Limited the following consideration in exchange for the extinguishment of the Royalty:

- AUD316,000 in cash (\$50,000 of which will be paid as a non-refundable deposit); and
- 122,000,000 fully paid ordinary shares from its existing 7.1 placement capacity.

A due diligence period of 14 days from the signing of the Terms Sheet has been agreed, with a final settlement date of no later than 30 days after signing.

In the event the Royalty Buyback successfully completed, the numbers of shares on issue in IBG will increase from 940,552,114 to 1,062,552,114, with the shares being issued for the Royalty Buyback comprising 11.5% of the issued capital in IBG.

Citronen Project Overview

Ironbark’s 100% owned Citronen Project is an advanced zinc-lead development opportunity located in a highly strategic location in northern Greenland, with over AUD80m spent on the project to date:

- Mineral Resource: 70.8Mt @ 5.7% Zn+Pb; Ore Reserve: 21.3Mt @ 6.3% Zn equivalent
- Exploitation (Mining) Licence granted in 2016, subsequent 19-43 Licence granted in 2020; all pre FID permits now granted by Government of Greenland
- **LOI signed with EXIM Bank – the US Government’s official Export Credit Agency – in 2020 for indicative USD216m in debt funding, application progressing in 2021**
- Historic BFS complete, being updated in 2021
- Major international commodity groups Trafigura and Glencore IBG shareholders and offtake partners

As announced on 14 and 18 September 2020 (**Announcements**). Ironbark confirms that it is not aware of any new information or data that materially affects the information included in the Announcements and that all material assumptions and technical parameters underpinning the estimate in the Announcements continue to apply and have not materially changed. As set out in this announcement, Ironbark believes that the Royalty Buyback is likely to have a positive impact on the project economics. Ironbark has not yet undertaken the requisite levels of feasibility to determine with sufficient confidence, the materiality of the Royalty Buyback, however, plans to assess this impact as part of its proposed BFS, which it intends to release in 2021.

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.

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.

Forward-Looking Statements

This announcement contains “forward-looking statements.” All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to zinc and other metals price volatility, currency fluctuations, increased costs and variances in ore grade or recovery rates from those assumed in mining

plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.