

28 April 2021

Company Announcements

Australian Securities Exchange Limited
Level 40, Central Park,
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PERTH WA 6000

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2021

Ironbark Zinc Limited (“Ironbark”, “the Company” or “IBG”) (ASX: IBG) hereby provides a report on its activities for the quarter ending 31 March 2021.

Highlights

Citronen

- Feasibility Study update work continues with targeted completion in Q2 2021
- Subsequent to completion of the updated BFS, submission of Loan application to Export-Import Bank (Ex-Im) of United States targeted for Q2 2021
- LOM Production Royalty over Citronen Project formally extinguished
- Updated Geological Model and Exploration Target completed and shows significant further exploration potential at the Citronen Project

Corporate

- \$3m Placement completed; funding in place to finalise updated Citronen BFS and progress Ex-Im Loan Application to decision stage

Projects - Citronen

Feasibility Study Update

Work to update the technical work underpinning the Citronen Bankable Feasibility Study (**BFS**) continued during the quarter. Following completion of geological, 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.

Whilst work has continued on elements of the mine plan, the bulk of the current study work is largely focused on engineering, construction, concentrate export and resupply, land side logistics, minerals marketing and capex/opex estimates to ensure that these embrace the latest in technical and related developments. Ironbark is now at the reporting stage and remains on track to deliver the report in line with the targeted timeline.

The updated BFS is the critical step in allowing IBG to apply to convert its non-binding Ex-Im Letter of Interest (**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.

Ex-Im Loan Application process underway

In November 2020 Ironbark announced an important step in its project financing plan with the receipt of a non-binding LOI from the Export-Import Bank of the United States (**Ex-Im**), the official export credit agency of the United States federal government.

During the March quarter, and concurrent with the BFS work, Ironbark has been preparing its Ex-Im Bank loan application, assisted by two US based consultants who specialise in Ex-Im finance applications. Ironbark is targeting submission of the final loan application during the June 2021 quarter, subsequent to the completion of the 2021 BFS update.

Citronen Production Royalty Formally Extinguished

In February 2021, the Company announced that it had agreed terms to extinguish the Life of Mine (**LOM**) Net Smelter Return (**NSR**) Royalty held by Pearyland Royalties Co. Limited (**Pearyland**). In consideration for the extinguishment of the Royalty Ironbark agreed to:

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

Following completion of due diligence the Company announced the formal extinguishment of the Royalty on 3 March 2021 and has since paid the cash and share consideration. In addition to being likely to be value accretive at a Project level, the extinguishment of the Royalty has brought a new shareholder group with a long and successful mining investment track record to the register.

Exploration Target

During the quarter the Company updated its geological model and also published the first Exploration Target at Citronen that is JORC 2021 compliant. The updated Exploration Target confirmed that Citronen contains substantial exploration upside beyond current Mineral Resource and will provide further context to the ongoing Bankable Feasibility Study refresh.

The Exploration Target, in addition to the known Mineral Resource, is 40Mt to 90Mt at 5.0% to 7.1% zinc + lead combined. The Exploration Target is based upon review of project drilling, rock chip samples and the limited geophysical data available. A 3D geological model of the project was used to assist in identifying prospective areas.

Disclaimer: The potential quantity and grade of the Exploration Target is conceptual in nature and is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is comprised of six areas; four of which are adjacent to current Esrum, Beach and Discovery Zone orebodies. A substantial systematic multi-year exploration and resource development program, including geophysics, is planned to coincide with the beginning of project construction.

A competent person statement with regard to the Exploration Target is set out at the back of this report as are the supporting assumptions underpinning it. The Exploration Target is supported by exploration results as announced to ASX on 11 February 2021. The Company is not aware of new information or data that affects this information.

Projects - Australia

There were no material updates from the Company's Australian projects during the quarter.

Corporate

\$3m Placement completed to progress to FID and Ex-Im Bank Loan proposal

On 9 March 2021 the Company announced that it had completed a \$3m capital raise through the issue of 125 million shares at \$0.024 per share (**Placement**).

The Placement was completed in two tranches, with 95.5 million shares issued under the Company's existing placement capacity on 16 March 2021 and the remaining 25.5 million shares issued on 21 April 2021 following the receipt of shareholder approval on 19 April 2021.

The proceeds of the Placement are being applied to completing the BFS, underwriting the costs of the Ex-Im loan process and for general working capital.

For further information on Placement please refer to the ASX announcement released on 9 March 2021.

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 March 2021, was **AUD \$2.58 million**. A further \$0.66 million was received in April following completion of tranche 2 of the placement, which was subject to shareholder approval. As outlined previously, Project spend has been elevated during the recent 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 has held up well in the March quarter and continues to trade in "base case plus" territory for the Citronen Project. Despite this, I believe upside remains as the price remains well off the near decade highs seen in other base metals, copper being the most prominent example.

Ironbark's Board and Management remain very focused on delivering against the two main goals for 2021 – completing the updated BFS and converting the Ex-Im Bank LOI into a binding loan facility. As outlined in our February 2021 Corporate Update, the expected timeline for contingent approval of the latter is around Q3 2021, subject to when the loan application is submitted.

Finally, Ironbark would like to again extend its congratulations to Mr Múte Bourup Egede and the Inuit Ataqatigiit (IA) Party on the results of the recent Greenlandic election. Ironbark looks forward to further working with all key stakeholders in Greenland as Citronen continues to move towards its key financing decision later in 2021."

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.

Exploration Target

40 Mt to 90 Mt at 5.0% to 7.1% zinc + lead combined

Prospect Area	Prospective sulphide horizons	Tonnes from - to (Mt)	Zinc % Grade range	Lead % Grade range	Combined zinc + lead grade
East	L3/L4	3 to 5Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Western Gossans	L3/L4	5 to 8Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Beach South	L2/L3	4 to 10Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Esrum Extended	L3	12 to 28Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Discovery South East	L1/L2/L3	10 to 25Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Discovery North/Trilobite Valley	L2/L3/L4	6 to 14 Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead
Total		40 to 90 Mt	4.6 to 6.5% Zn	0.4 to 0.6 % Pb	5 to 7.1% zinc + lead

The Exploration Target listed above is formed on the basis of historic exploration work at Citronen, including over 60,000m of diamond drilling and subsequent work sufficient to declare the Mineral Resource and Ore Reserve also listed on Slide 12. The potential quantity and grade of the Exploration Target on Slide 12 is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Ironbark plans to test the Exploration Targets as part of a phased exploration and resource development program. This multi-year program is planned to commence concurrently with mine development and construction, and is aimed at further improving the current Citronen mine plan through some potential combination of mine life extensions, grade uplift and/or the deferral of major lateral mine development in the current schedule. At present, Ironbark intends to undertake this work will take place within two years of construction beginning at Citronen.

A systematic drilling program is planned to test extensions to the known mineralisation at the newly identified conceptual target areas. IBG already has four drill rigs at Citronen that are available for any future exploration program, and any further exploration equipment will be mobilised in conjunction with the site construction activities as required.

The Exploration Target is based upon review of project drilling, rock chip samples and the limited geophysical data available. A 3D geological model of the project was used to assist in identifying prospective areas. Each area was systematically reviewed with tonnage ranges based on conceptual target sizes and area prospectivity. Exploration Target zinc and lead grade ranges and rock densities are based upon typical grades observed from the current Citronen Resource (refer to ASX announcement 12th March 2020). The Exploration Target calculation has been based on a combination of actual exploration results as discussed in this report and proposed exploration programmes.

“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 and Exploration Targets 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%	-