

31 January 2022

Company Announcements

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

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 DECEMBER 2021

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

Highlights

Citronen

- US EXIM Bank issues Preliminary Approval for up to US\$657 Million in debt funding
- US EXIM Bank grants Landmark 402A Designation

Corporate

- \$4m Placement completed to continue Citronen Project Finance activity in 2022
- \$4.84 million Cash at Bank as at 31 December 2021

Zinc Market

- Zinc rallied strongly in the December quarter, peaking 15th October at US\$ 1.72/lb (closing price). Price well above Citronen BFS price of US\$ 1.30/lb for the entire quarter with trend holding into early 2022
- Growing recognition of the role Zinc will play in decarbonising the global economy; significant new demand forecast above that required by traditional user markets

Projects - Citronen

US EXIM Bank issues Preliminary Approval for up to US\$657 Million in Funding

In December 2021 the Company advised that its Phase I due diligence (DD) period with US EXIM Bank had successfully concluded and that Ironbark had received a Preliminary Project Letter (PPL) outlining EXIM’s intention, subject to further due diligence and EXIM Board approval, to extend up to **US\$657m** in debt funding to Ironbark to cornerstone the development of the Citronen Project.

The PPL, whilst not yet a binding offer of credit, signals EXIM’s intent to undertake further serious consideration of the funding application and provides project sponsors with a process and issues list to resolve prior to a formal loan offer. It is a welcome endorsement of the fundamentals of the Citronen Zinc Project for

a world projected to increasingly consume more zinc metal as the transition to carbon neutrality gains further traction globally. Given the quantity of debt funding potentially being made available by EXIM Bank, no further project debt is anticipated to be required if an EXIM facility was successfully closed on the terms outlined in the PPL.

In addition to signalling EXIM Bank's intention to proceed with the transaction, and tabling an indicative Term Sheet, the PPL provides guidance to Ironbark on key issues for Phase II due diligence which is set to commence in early 2022, including completing further financial, technical, environmental and legal reviews as determined by EXIM Bank (including finalisation of construction arrangements).

The key commercial details of the indicative Term Sheet include (all dollar figures USD):

- Loan Amount – up to \$657m comprising \$485m in US Costs plus \$171m in Local Costs; final amount subject to Ironbark meeting minimum equity commitments
- Tenor – 8.5 years; may be extended subject to further 402(A) flexibilities
- Rate – 100 basis points above five-year US treasury rate (implied rate ~2.2% p.a.)
- Both Commitment and Establishment Fees would be payable under the facility (exact amounts to be confirmed)

The proposed EXIM facility, if successfully closed, would likely provide all required project debt.

Further discussions are currently underway between Ironbark and US EXIM Bank on the timing and process for Phase 2 work in 2022. A range of external advisors, in addition to Greengate LLC, are yet to be appointed by EXIM for Phase 2 with the final scope, work program and outcomes not currently anticipated to be agreed until late February. An announcement on this will be made at the appropriate time.

Strategic Equity Process

Ironbark has commenced a targeted process led by its strategic financial advisers, London based Bacchus Capital Advisers, to identify and consider prospective equity investors. Initially, the net has been cast globally and is expected to involve a range of interested parties drawn from the fields of base metals mining, refining & trading, and financial investment. The progress made with securing EXIM Bank funding in recent months provides the necessary pathway to address one of the primary obstacles to advancing any new project development – access to project debt funding on attractive terms. The Citronen Zinc Project, with its initial 20-year mine life, its potential to rank as a top 10 global zinc producer, and now, an advanced pathway to securing project financing, is expected to attract widespread interest from a range of participants seeking to participate in its development.

The equity process will run largely in parallel with the Phase II due diligence program, possibly not concluding until a complete project financing package is agreed between all debt & equity investors.

For further details please refer to the ASX announcement dated 8 December 2021.

Citronen Receives Landmark 402A Designation from EXIM Bank

On 23 November 2021 the Company advised that its Citronen Project is the first standalone project application worldwide to qualify for privileged 402(A) support status under the US Government's recently introduced China and Transformational Export Program (CTEP), administered by EXIM.

As a result, EXIM may be able to offer Ironbark:

- Extended repayment tenors
- Exceptions from EXIMs Country Limitation Schedule, if applicable
- Extended drawdown
- Reduced fees

Any flexibilities offered to Ironbark via its 402(A) status will be determined during Phase 2 and remain subject to approval by EXIM's Board of Directors.

Refer to the ASX announcement dated 23 November 2021 for further details, including an overview of the 402 Program.

Projects - Australia

Fiery Creek (EL 6925)

The flora and fauna survey planned for the December Quarter was delayed by weather events and Covid-19 and is now scheduled to be completed in February 2022. Upon successful completion of the survey, a Review of Environmental Factors (REF) can be submitted and Ironbark can obtain permission for its first ever drill campaign at Fiery Creek (EL 6925 was last drilled in the 1980s).

Captains Flat (EL 6381)

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

Corporate

\$4 million Placement successfully completed

In December 2021 the Company completed a strongly supported placement, raising \$4 million through the issue of 90,909,091 fully paid ordinary shares at \$0.044 per share (Placement). The Placement price was at a 2% discount to the 5-day VWAP, a 1% premium to the 10-day VWAP and a 5% premium to the 20-day VWAP and was completed from existing 7.1 placement capacity.

The proceeds of the Placement will be used for Phase 2 due diligence with US EXIM, whereby Ironbark is responsible for funding both its own and EXIMs costs, to fund the upcoming strategic equity process and for general working capital purposes.

Morgans Corporate Limited acted as Lead Manager to the Placement and Bacchus Capital Advisors acted as Financial Advisor to Ironbark.

Annual General Meeting

The Company held its Annual General Meeting on 29 November 2021 with all resolutions passed by poll.

ASX Listing Rule 5.4.5 Disclosure

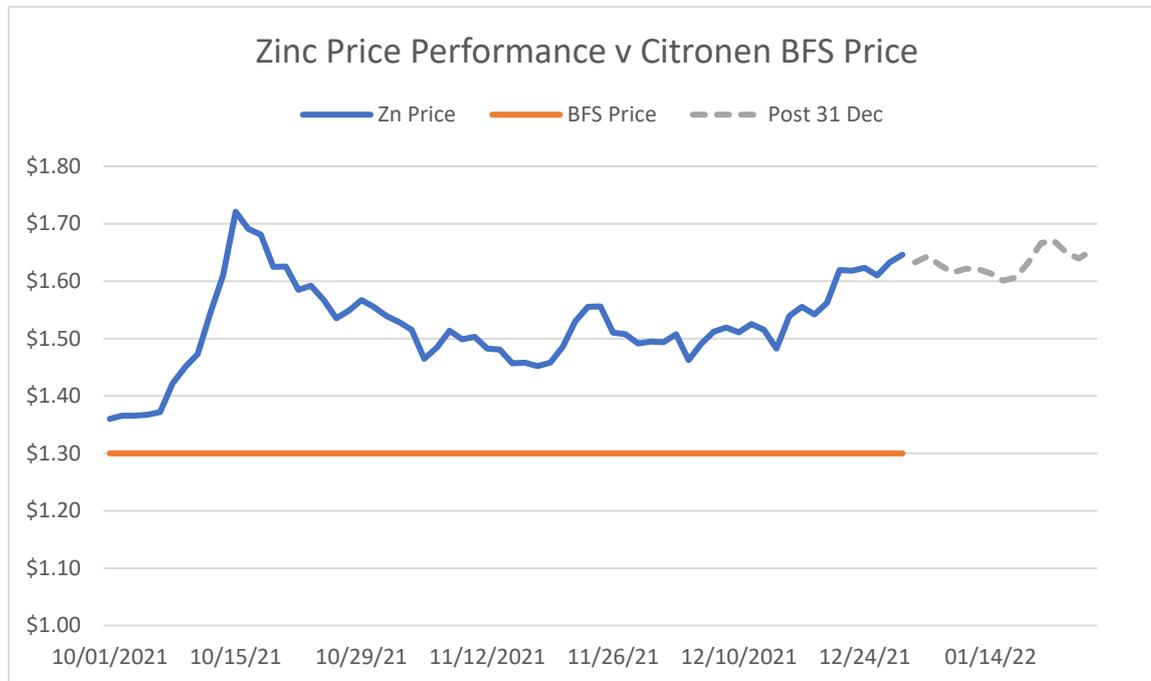
Payments to related parties during the quarter as outlined in Sections 6.1 and 6.2 of the Appendix 5B consisted of \$97,043 in directors' fees and fees to the Managing Director under his executive services agreement.

The Company's cash balance, as at 31 December 2021, was **AUD \$4.84 million**. Project expenditure has been elevated during the recent quarters as the Company completed its Bankable Feasibility Study and prepared its project finance submissions for EXIM bank. Ongoing overheads however remain largely unchanged.

Zinc Market Update

The Zinc price continued to trade well above the Citronen BFS price of US \$1.30 / lb during the December quarter, with further upward pressure being seen into January 2022.

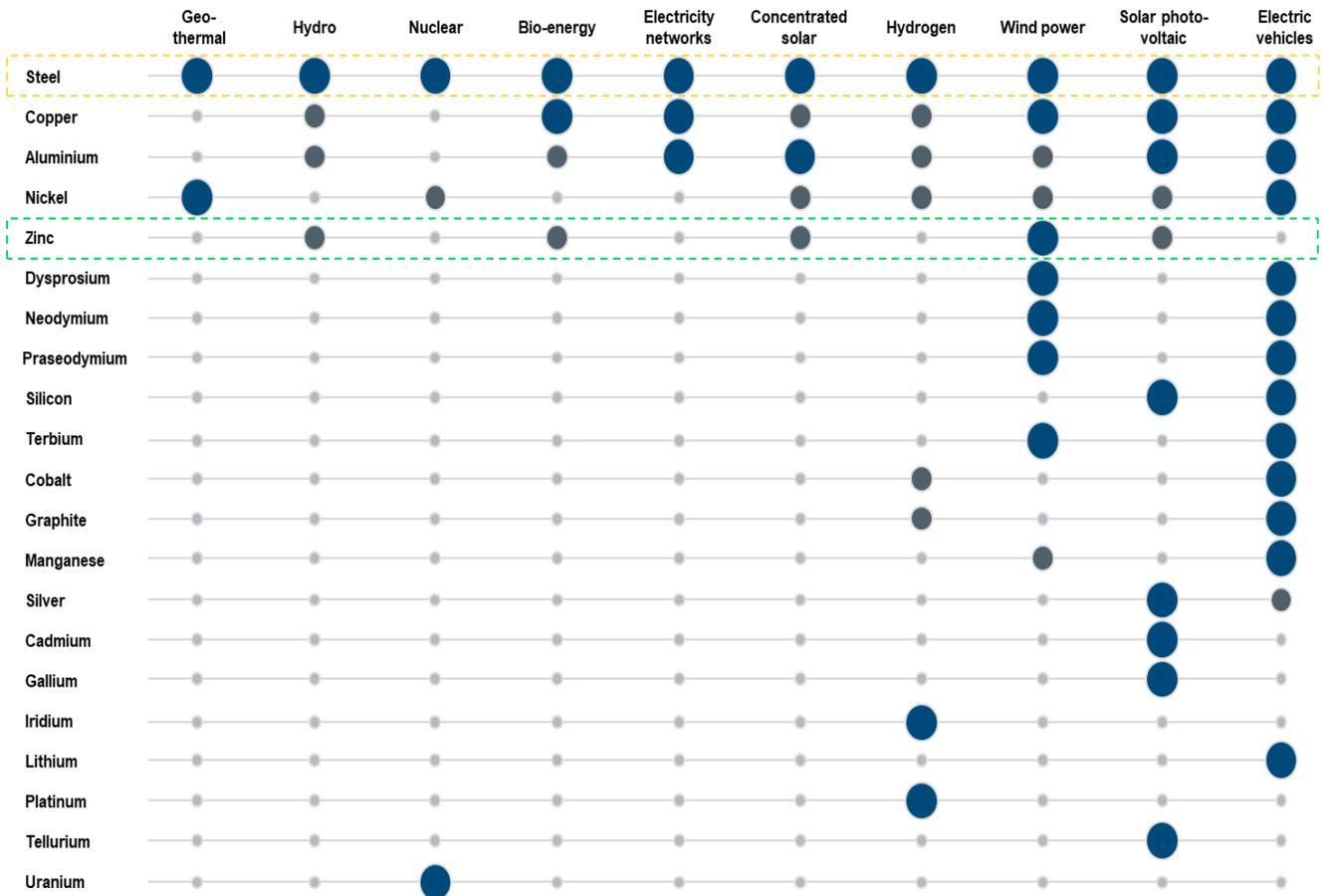
December Quarter 2021: Zinc Price Movement



Market Commentary

The base metal suite, including Zinc, will be critical to electrifying the world in the coming decades. Benefiting not just from its role in steel production, Zinc's exposure to the growth of the wind sector, as well as photovoltaic solar capacity, is being increasingly recognised by key market actors.

- South 32 forecast primary Zinc demand will double between 2020 and 2040, whilst supply is predicted to fall by 3.5% p.a. (or 270ktpa) to 2030 (see p.27 S32 ASX release 17 January 2022). New project investment, and inducement pricing, will be critical to meet anticipated demand.
- McKinsey & Co recently released their analysis on future facing metals with Zinc's criticality to the growth of wind capacity again highlighted. As a secondary exposure, Zinc's role in galvanising steel – extending its operable life – will be important given the role steel will play in the anticipated infrastructure roll out of a newly electrified, lower carbon, world.



Importance

Low to none High

Source, McKinsey 2022

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.

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 19 July 2021):

84.7 million tonnes at 4.72% Zn & 0.47% Pb

| Category | Mt | Zn (%) | Pb (%) |
|--------------------------------------|-------------------|-------------|-------------|
| Open pit @ 1.5% Zn cut-off | | | |
| Measured | 11,767,520 | 2.9 | 0.5 |
| Indicated | 2,159,548 | 2.6 | 0.3 |
| M&I | 13,927,068 | 2.8 | 0.5 |
| Inferred | 3,303,573 | 2.9 | 0.4 |
| Open pit total | 17,230,641 | 2.8 | 0.4 |
| | | | |
| Underground @ 3.5% Zn cut-off | | | |
| Measured | 22,518,764 | 5.2 | 0.5 |
| Indicated | 26,208,555 | 5.5 | 0.5 |
| M&I | 48,727,319 | 5.4 | 0.5 |
| Inferred | 18,744,401 | 4.8 | 0.4 |
| Underground total | 67,471,720 | 5.2 | 0.5 |
| | | | |
| TOTAL Mineral Resource | | | |
| Measured | 34,286,284 | 4.36 | 0.51 |
| Indicated | 28,368,103 | 5.30 | 0.46 |
| Inferred | 22,047,974 | 4.55 | 0.42 |
| Total | 84,702,361 | 4.72 | 0.47 |

JORC Table 1 included in an announcement to the ASX released on 19th July 2021: “2021 Bankable Feasibility Study Confirms Citronen as World Class Zinc Project”. 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 current JORC 2012 compliant Ore Reserve for Citronen is summarised below:

| Deposit | Category | Tonnes (Mt) | ZnEq grade (%)* | Zn grade (%) | Pb grade (%) | ZnEq metal (Mt) | Zn metal (Mt) | Pb metal (Mt) |
|--------------------|-----------------|-------------|-----------------|--------------|--------------|-----------------|---------------|---------------|
| Beach underground | Proved | 19.0 | 5.5 | 5.2 | 0.5 | 1.0 | 1.0 | 0.1 |
| | Probable | 7.0 | 5.8 | 5.7 | 0.5 | 0.4 | 0.4 | 0.03 |
| Esrum underground | Proved | - | - | - | - | - | - | - |
| | Probable | 15.8 | 5.1 | 4.8 | 0.4 | 0.8 | 0.8 | 0.06 |
| Discovery open pit | Proved | 5.5 | 3.5 | 3.2 | 0.6 | 0.2 | 0.2 | 0.03 |
| | Probable | 1.4 | 2.5 | 2.3 | 0.4 | 0.04 | 0.03 | 0.01 |
| Total | Proved | 24.6 | 5.1 | 4.6 | 0.5 | 1.2 | 1.1 | 0.13 |
| | Probable | 24.2 | 5.1 | 5.0 | 0.4 | 1.2 | 1.1 | 0.10 |
| | Total | 48.8 | 5.1 | 4.8 | 0.5 | 2.5 | 2.3 | 0.24 |

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 19th July 2021: "2021 Bankable Feasibility Study Confirms Citronen as World Class Zinc Project" 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 |

For further information on the Citronen Exploration Target, please see the ASX announcement dated 11 February 2021. The Exploration Target has not been included in the calculation of the life of mine or project NPV. 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. The potential quantity and grade of the Exploration Target 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% | - |