

Wednesday 8 December 2021

Australian Securities Exchange Limited

Level 40, Central Park,

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PRELIMINARY APPROVAL FOR UP TO US\$657m IN FUNDING FROM US EXIM BANK

Highlights

- **US EXIM has issued Ironbark with a Preliminary Project Letter (PPL) offering up to US\$657m in debt funding to cornerstone the development of the Citronen Project**
- **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; potential to be extended subject to further 402(A) flexibilities**
 - **Rate – 100 basis points above five-year US treasury rate (implied rate ~2.2% p.a.)**
- **Commercial terms may be further improved following Ironbark’s recent landmark 402(A) designation, the first of its kind globally, received under US EXIM’s China & Transformational Exports Program**
- **The proposed level of US EXIM support is sufficient to provide all required project senior debt**

Ironbark Zinc Limited (ASX: IBG) (**Ironbark** or the **Company**) advises that its Phase I due diligence (DD) period with US EXIM Bank has now successfully concluded and that Ironbark has 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.

Ironbark Managing Director, Michael Jardine, commented:

“We are delighted to announce this US EXIM PPL, which marks a genuine turning point in the life of the Citronen Project, with proper recognition of the scale and quality of the asset from the capital markets for arguably the first time. We could not ask for a better prospective cornerstone than US EXIM; they will be an excellent partner for Ironbark and its stakeholders as we move forward into what will be another busy 12 months. The interest from a

top tier financial institution further validates Citronen's status as a Tier 1 Zinc project and is a testament to the strong fundamentals offered by Citronen, as the Company moves closer to becoming a strategic Zinc producer.

We have seen in the last six months, since Ironbark updated its BFS, a substantial shift in perception with respect to Zinc and the role it will play in the future. Now officially a USGS Critical Mineral, the physical Zinc market has also shown a formerly underappreciated tightness and we have seen the price respond in a reasonably sustained fashion in recent months. All these factors are flashing green when considering what a very long-life asset such as Citronen potentially offers the market.

We look forward to updating the market on our progress throughout the first half of 2022, as we finalise our project financing package."

Preliminary Project Letter

During the recently completed Phase I DD process EXIM Bank worked with Washington based Greengate LLC, an independent financial advisory firm, to assess Ironbark's application in relation to the development of the Citronen Zinc Project. EXIM Bank uses this initial DD process to filter and consider opportunities, and successful passage through Phase I is a pre-requisite for obtaining final approval from the EXIM Bank Board.

During the Phase 1 DD process, US EXIM and its advisers undertook considerable DD on Citronen following Ironbark's loan application, submitted in August 2021. While not yet a binding offer of credit, the PPL signals US 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 US EXIM, no additional project debt funding is anticipated if the EXIM facility is successfully closed on the terms outlined in the PPL.

In addition to signalling US EXIM's intention to proceed with the transaction, and tabling an indicative Term Sheet, the PPL provides Ironbark with guidance on key issues for Phase 2 DD, including completing further financial, technical, environmental and legal reviews as determined by EXIM Bank (including finalisation of construction arrangements).

For the completed Phase 1 process, and the upcoming Phase 2 work, Ironbark was advised by Bacchus Capital, Latham & Watkins LLP and US EXIM specialist advisors Horn & Watson and International Trade & Transportation Inc.

Next Steps & EXIM Timeline

Phase 2 DD, commencing in early 2022, will be focused on addressing the points raised by US EXIM in the PPL. Further information will be provided on the key steps and timing of that process, including the means to obtain US EXIM Board approval and subsequent drawdown, when confirmed between the parties.

Impact of the PPL on the Strategic Equity Process

Ironbark has commenced a targeted process led by its strategic financial advisers, London based Bacchus Capital, 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 US EXIM funding outlined in this announcement 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, which is set to boost equity returns. 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.

With the PPL now issued and providing visibility on the attractiveness of the proposed project debt package on offer, the formal equity process will now begin. It is anticipated to run largely in parallel with the Phase 2 due diligence program, possibly not concluding until a complete project financing package is agreed between all debt and equity investors.

Trading Halt

This announcement is not intended to lift the trading halt. The Company will remain in trading halt until the commencement of normal trading on Thursday, 9 December 2021, pending the announcement of a capital raising.

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.