

Wednesday 13 March 2024

CITRONEN PROJECT UPDATE: STRATEGY FOR 2024

EXECUTIVE SUMMARY

- Citronen remains unmatched in its region as a large scale, strategically located potential supplier of Zinc concentrate to global markets
- Strategic review underway to determine best approach for recapturing the Project's inherent value (AUD \$80 million spent by Ironbark to date) and increasing the visibility of the asset
- Zinc prices are again trending upwards and the metal remains on the US Geological Survey's Critical Minerals list
- The Company's recently announced portfolio-based strategy, focused on adding critical & energy metal projects, will continue to be executed through the rest of 2024

IBG Managing Director Michael Jardine commented:

"We welcomed a substantial new cohort of shareholders onto our register in December last year and it feels appropriate to revisit some of the key strengths of the Citronen Fjord Project for their benefit, especially as we've recently seen an early turnaround in the zinc price. Of course our longer-term holders, many of whom are very familiar with the asset, are likewise due an update on the Project.

In short, the Board remains of the view that Citronen has the potential to play a significant role in its region as a zinc producer in the long term, whilst recognising that the many approaches attempted in the past to develop the asset have been unsuccessful. Our objective has been singular in seeing the project move into production, as we are obligated to attempt to do under the conditions of our licence, which has necessitated targeting market participants of a scale and nature able to participate in a major Arctic mining endeavour.

We now intend on taking a nimbler approach to partnering on the asset and we expect that to open several new pathways to see value returned to the Company. In the meantime, Ironbark will continue to increase its exposure to key critical metals within Australia and overseas with advanced discussions underway on a range of exciting new opportunities."

CITRONEN IS A GIANT ZINC DEPOSIT

Acquired in 2007, Citronen is amongst the most de-risked zinc pure plays in the junior ASX space:

- 85Mt Mineral Resource @ 4.7% Zn + 0.5% Pb¹, including high grade zone of 17.7Mt @ 7.6% Zn + 0.6% Pb² (see full JORC tables at Appendix 1)
- 49Mt Ore Reserve @ 4.8% Zn + 0.5% Pb¹ (see full JORC tables at Appendix 1)
- **In addition to the known Resource**, significant exploration upside in terms of scale with a JORC 2012 compliant Exploration Target of 40-90Mt @ 5-7% Zn³
- Granted 30-year Mining (Exploitation) Licence

- 70% of forward production pre-committed via binding offtakes with global majors Glencore and Trafigura (also ~10% Ironbark shareholders)
- Completely updated bankable Feasibility Study completed in 2021¹

References: 1. see ASX release dated 19 July 2021; 2. see ASX release dated 14 September 2020; 3. see ASX release dated 11 Feb 2021.

SUMMARY OF 2020-2023

Ironbark was an early adopter of the government led trend towards securing critical minerals supply by striking an LOI with US EXIM Bank for an initial USD \$216m in debt funding for the Project⁴. This was subsequently and successfully formalised in December 2021 with a hugely increased preliminary offer for up to USD \$657 million in senior debt, sufficient for 100% of the project finance required for the development of the Project⁵.

Immediately prior to this, in November 2021 Citronen was the very first mining project anywhere in the world to be designated as a 402(A) “Strategic” Project from US EXIM Bank⁶. This was a very public and welcome endorsement from US EXIM about the importance and merit of the Project to the US government.

Despite successfully concluding a very onerous technical due diligence program with US EXIM in 2022 (including a site visit in July 2022), and navigating a long process to identify and secure a JV partner, Ironbark was ultimately unable to secure the necessary project equity required and recently elected to withdraw from its current EXIM process. The Company is pleased to note however its relationship with US EXIM remains strong and both parties are very open to re-engaging in the future.

Ultimately a sustained downward trend in the Zinc price from early 2022 (albeit now showing early signs of reversing), combined with extreme and in some respects still ongoing macro uncertainty, meant that few large greenfields Zinc projects like Citronen have been commissioned in recent years. The difficulties in financing large, long-term and capital heavy projects was and is particularly acute in the junior sector and Ironbark has been unable to break free of those constraints like many others.

References: 4. see ASX release dated 2 November 2020; 5. see ASX release dated 8 December 2021; 6. see ASX release dated 23 November 2021.

THE YEAR AHEAD FOR GREENLAND

Citronen has proven to be a very long-term endeavour for all associated with the Company including shareholders, staff and our key stakeholders in country. Given its location outside of the local municipality system, the federal Government of Greenland is the key counterparty with respect to regulating the Project and granted the 30-year exclusive Mining (Exploitation) Licence in 2016. Negotiations are currently ongoing with the Government regarding a reset of key development timelines, and how to handle rehabilitation obligations relating to the exploration camp, and Ironbark thanks the Government for their ongoing engagement with the Company. We are very much aligned in wanting to see the Project succeed in the long run.

With respect to establishing new pathways for value creation for Citronen the Board intends to re-examine various opportunities to improve equity returns alongside executing a much-changed partner search prioritising the assets’ long-term leverage to the Zinc market ahead of a near term development focus. This will necessitate Ironbark considering a range of different prospective partners, geographies and valuation structures when compared with the processes run during 2022 and 2023.

Should a successful pathway emerge it's highly likely, in the Board's opinion, that Citronen's underlying value will be more appropriately recognised by the market compared with today.

THE BROADER BUSINESS IN 2024

The 6-month option assumed over the Bamboo Creek and Daltons Projects in Western Australia in December 2023 (see ASX release dated 11 December 2023) was the Company's first new project foray in over 15 years and represented an initial step in a new portfolio-based growth strategy. Until now Ironbark has been all in on Greenland.

A range of other project acquisitions are being progressed – some more advanced than others – and the Board is intent on building out a portfolio of appropriately scaled projects located in mature mining jurisdictions. This will greatly reduce Ironbark's historic reliance on a single project, and single commodity, over time.

Further Details

This notice is authorised to be issued by the Board. Please contact Managing Director Mr Michael Jardine for any further inquiries at mjardine@ironbark.gl or +61 424 615 047.

Competent Persons Statement

The information included in this report that relates to Exploration Results & Mineral Resources is based on and fairly represents information compiled or reviewed by Ms Elizabeth 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 is a member of the Australian Institute of Geoscientists and Society of Economic Geologists. 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.

Competent Persons Disclosure

Ms Laursen is an employee of Ironbark Zinc Limited and currently holds securities in the company.

Appendix 1 – Mineral Resources & Ore Reserves

Table 1 – Ore Reserves

Category	Tonnes (Mt)	ZnEq Grade (%)*	Zn Grade (%)	Pb Grade (%)	ZnEq Metal (Mt)	Zn Metal (Mt)	Pb Metal (Mt)
Proved	24.6	5.1	4.6	0.5	1.2	1.2	0.1
Probable	24.2	5.1	5.0	0.4	1.2	1.1	0.1
Total (P&P)	48.8	5.1	4.8	0.5	2.5	2.3	0.2

The Ore Reserve is based on Measured and Indicated Resources only and does not include any Inferred Mineral Resources. The Mineral Resources for the Citronen Project, on which these Ore Reserves are based, are summarised below in Table 2. The Ore Reserve is based on Measured and Indicated Resources only and does not include any Inferred Mineral Resources. The Reserve and Resource information was disclosed 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.

Table 2 – Mineral Resource Estimate*

Category	Tonnes (Mt)	Zn (%)	Pb (%)
Measured	34.3	4.4	0.5
Indicated	28.4	5.3	0.5
Inferred	22.0	4.6	0.4
Total	84.7	4.7	0.5

*Calculated using Ordinary Kriging interpolation. 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.