



Half-Year Report

For the Period Ended 31 December 2021

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Ironbark Zinc Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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Corporate Directory

Non-Executive Chairman

Frederick Hess

Managing Director

Michael Jardine

Non-Executive Directors

Alexander Downer AC
Paul Cahill

Company Secretary

Jonathan Whyte

Principal & Registered Office

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Subiaco WA 6008
T: +61 8 6146 5325

Auditors

PKF Perth
Level 4, 35 Havelock Street
West Perth WA 6005

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000
T: 1300 288 664

Stock Exchange

Australian Securities Exchange (ASX)
Code: IBG

Website

www.ironbark.gl

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Directors' Report

Your Directors present their report on Ironbark Zinc Limited (the 'Company' or 'Ironbark') and its controlled entities (together the 'Consolidated Entity') for the half-year ended 31 December 2021.

Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Frederick Hess
- Michael Jardine
- Alexander Downer AC (appointed 1 October 2021)
- Paul Cahill (appointed 1 October 2021)
- Maciej Sciazko (resigned 1 October 2021)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Consolidated Entity during the half-year were the exploration and evaluation of the Consolidated Entity's base and precious metal ground holdings. There were no significant changes in the nature of the Consolidated Entity's principal activities during the half-year.

Operating Results

The consolidated loss of the Consolidated Entity after providing for income tax amounted to \$1.35 million (31 December 2020: \$2.34 million).

Review of Operations

Projects

Citronen Base Metals Project, Greenland

Overview

The Company's 100% owned flagship Citronen Zinc-Lead Project in Greenland (**Citronen**) is one of the world's largest undeveloped zinc deposits. Ironbark holds a granted 30-year Mining Permit over the deposit, and in 2020 declared a JORC compliant maiden Ore Reserve.

The focus during the reporting period was initially on completing and publishing the updated Feasibility Study (successfully delivered in July 2021) and on progressing project finance discussions with US EXIM Bank (**EXIM**), which culminated in the Company receiving Preliminary Approval from EXIM for up to US\$657 Million in debt funding in December 2021.

The Company holds concentrate offtake agreements with major shareholders Glencore Plc and Trafigura such that 70% of the Zinc concentrate to be produced from Citronen is committed.



Directors' Report (continued)

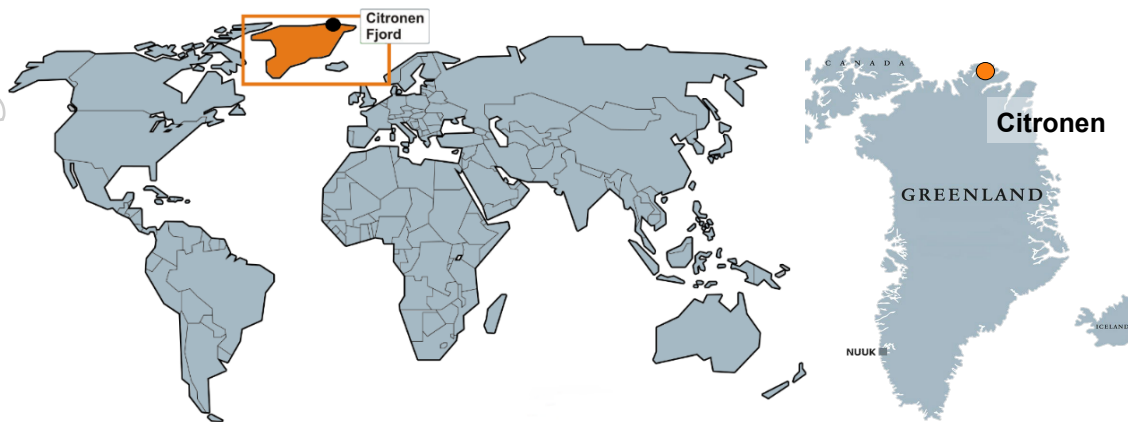


Figure 1 - Citronen Base Metals Projects, Greenland

Bankable Feasibility Study confirms Citronen as World Class Zinc Project

On 19 July 2021 Ironbark announced the results of the 2021 Bankable Feasibility Study (**2021 BFS**) for Citronen, with the highlights detailed below.

Highlights

- Robust economics, with the 3.3Mtpa Citronen Project to deliver a post-tax free cash flow of US\$1.46 billion (Bn) at a Zn price of US\$1.30/lb
 - Post-tax NPV_(8%) of US\$363 million (M); IRR 15.2%; CAPEX US\$654m
- Significant leverage to future zinc (Zn) price growth; 2.5 million tonnes (Mt) Zn metal produced life of mine (LOM) averaging ~130ktpa
- Competitive C1+sustaining capital costs per pound payable zinc
 - Year's 1 to 5 US\$ 0.68/lb; LOM US\$ 0.76/lb
- 50% increase in mine life to 20 years in a low-risk jurisdiction and emerging mining frontier
- Environmental, Social and Governance (ESG) approvals and management plans are well advanced
 - Process underway to ensure full compliance with Equator Principles and relevant IFC Performance Standards
- Binding offtake agreements remain in place with major Ironbark shareholders Trafigura (35% of LOM production) and Glencore 35% (10 years Zn, LOM Pb)
- IBG to now commence formal project financing process with United States EXIM Bank
- Significantly expanded Ore Reserve:
 - Mineral Resource of 85Mt @ 4.7% Zn and 0.5% Pb
 - Ore Reserve of 48.8Mt @ 4.8% Zn and 0.5% Pb
- Substantial exploration upside

The 2021 BFS represents the first ground-up evaluation of the Project in a decade and supersedes the feasibility study published on 12 September 2017.

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Directors' Report (continued)

The drivers for the preparation of this 2021 BFS were threefold:

1. To update the development plan;
2. To increase the level of confidence in the study parameters; and
3. To apply a more conservative risk filter to key economic assumptions to demonstrate the robustness of cash flows over the extended mine life.

In updating the BFS, IBG drew on the services of a range of leading consultants to provide a much broader assessment of the project opportunities and risks. Some key assumptions adopted in the 2017 study were adjusted to incorporate the results of additional study work and deliver a realistic assessment of the Project in line with the prevailing outlook.

The combination of these various changes materially impacted on project economics. These include both the impact of improved project design and more conservative economic and operational assumptions adopted as part of the financial analysis:

- Mine life extended to 20 years;
- Greatly improved, and more detailed, underground mine design has enhanced efficiency and lowered sustaining capital;
- Significant improvement on per tonne shipping costs;
- Evaluation uses a more conservative zinc price (US\$1.30 vs US\$1.38/lb);
- A higher 'real' discount rate has been applied (8.0% vs 5.5%); NPV_(8%) in 2017 had previously incorporated a 2.5% inflation rate to the zinc price;
- Full recognition of tax liabilities (in the 2017 Feasibility Study Announcement the 'post tax' NPV excluded US\$554m owed in withholding tax, impacting the 'post tax' NPV); and
- Cost increases occurred across CAPEX, OPEX (mostly energy costs) and overall project contingency.

While the net effect of these changes is a material decrease in the headline post-tax NPV and IRR, on a like-for-like basis (using common assumptions) however, the 2021 BFS delivered an improved financial result (US\$48m higher post tax NPV_{8%}).

The updated Feasibility Study has enhanced the level of confidence ahead of the next project development phase which is necessary to secure project funding. The adoption of more conservative CAPEX and OPEX assumptions together with an increased project contingency and numerous technical and Project advancements since 2017 represents a sound basis for negotiating with potential financiers, including the US EXIM Bank.

For full details of the 2021 BFS refer to the ASX announcement released on 19 July 2021.

Cautionary Statement:

The contents of this announcement reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those detailed in this announcement.

Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



Directors' Report (continued)

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.

Fiery Creek, Australia

The flora and fauna survey planned for the reporting period was delayed initially by Covid lockdowns in NSW and then subsequently by adverse weather and is now on hold pending safe access to site. Upon successful completion of the survey, a Review of Environmental Factors (**REF**) can be submitted and Ironbark will be in a position to obtain permission for its first ever drill campaign at Fiery Creek (EL 6925 was last drilled in the 1980s).

Captains Flat (EL 6381), Australia

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

Corporate

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).



Directors' Report (continued)

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.); and
- 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.

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.

\$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 are being used for Phase 2 due diligence with US EXIM 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 Advisers acted as Financial Adviser to Ironbark.

Board Changes

In late September 2021 the Company announced the appointments of Mr. Alexander Downer AC and Mr. Paul Cahill as Non-Executive Directors of the Company, effective from 1 October 2021. As part of these Board changes, Mr Maciej Sciazko retired from the Board effective 1 October 2021.

Alexander Downer AC was Australia's longest ever serving Foreign Minister and his appointment reflects the geopolitical importance of the Citronen Project. Paul Cahill was Group Head of Business Development and Head of Strategic Relationships Management at Anglo American and is currently Senior Adviser - Mineral Resources Investment for Mitsubishi Corporation and Chairman of the Advisory Board of Bacchus Capital Advisers.



Directors' Report (continued)

For full details and biographies of the incoming directors please refer to the ASX announcement on 28 September 2021.

At the end of the half-year, cash available to the Company was \$4.84 million (30 June 2021: \$2.53 million).

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Consolidated Entity other than those disclosed in the Review of Operations.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Events After Reporting Date

On 9 March 2022 the Company issued 434,783 fully paid ordinary shares at an issue price of \$0.046 per share to Bacchus Capital Advisers in lieu of cash for management fees.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

Competent Person's Statement

The information included in this report relates to Exploration Targets, Exploration Results & Mineral Resources based on information compiled or reviewed by Ms Elizabeth Clare Laursen (B. ESC (Hons.), MAIG, MSEG, GradDipAppFin), 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 is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Targets, Exploration Results, Mineral Resources. 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 Person's Disclosure

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



Directors' Report (continued)

Likely Developments and Expected Results of the Operations

The Consolidated Entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental Regulations

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2021 has been received and can be found on page 10 of the financial report.

Rounding of Amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'M. Jardine'.

Michael Jardine
Managing Director
14 March 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF IRONBARK ZINC LIMITED**

In relation to our review of the financial report of Ironbark Zinc Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



**SHANE CROSS
PARTNER**

14TH MARCH 2022,
WEST PERTH,
WESTERN AUSTRALIA

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IRONBARK ZINC LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ironbark Zinc Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2021, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ironbark Zinc Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SHANE CROSS
PARTNER

14TH MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2021

	31-Dec 2021 \$'000	31-Dec 2020 \$'000
Other revenue	-	53
Corporate and compliance expense	(178)	(172)
Employee benefits expense	(233)	(186)
Consulting expense	(69)	(10)
Share-based payments expense	9 (583)	(464)
Impairment expense	-	(1,538)
Finance expense	(268)	-
Foreign exchange loss	3 (23)	(19)
Loss before income tax	(1,354)	(2,336)
Income tax expense	-	-
Loss for the period	(1,354)	(2,336)
Other comprehensive loss, net of income tax		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations	(920)	(1,122)
Other comprehensive loss, net of income tax	(920)	(1,122)
Total comprehensive loss for the period	(2,274)	(3,458)
Loss per share		
Basic and diluted loss per share (cents)	(0.11)	(0.25)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Financial Position

As at 31 December 2021

		31-Dec 2021 \$'000	30-Jun 2021 \$'000
Current Assets			
Cash and cash equivalents		4,836	2,528
Trade and other receivables		58	111
Financial assets		10	10
Total Current Assets		4,904	2,649
Non-Current Assets			
Exploration and evaluation expenditure	3	56,153	56,829
Property, plant and equipment		2	2
Other assets	2	2,934	2,975
Total Non-Current Assets		59,089	59,806
Total Assets		63,993	62,455
Current Liabilities			
Trade and other payables	4	624	1,232
Provisions		38	34
Other liabilities	5	1,500	1,518
Total Current Liabilities		2,162	2,784
Total Liabilities		2,162	2,784
Net Assets		61,831	59,671
Equity			
Issued capital	6	137,557	133,807
Reserves	7	3,402	3,638
Accumulated losses		(79,128)	(77,774)
Total Equity		61,831	59,671

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2021

Notes	Issued Capital \$'000	Share-based payment reserve \$'000	Foreign translation reserve \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2021	133,807	-	3,638	(77,774)	59,671
Loss for the period	-	-	-	(1,354)	(1,354)
Other comprehensive loss					
Exchange differences arising on translation of foreign operations	-	-	(920)	-	(920)
Total comprehensive loss for the period	-	-	(920)	(1,354)	(2,274)
Transactions with owners, recorded directly in equity					
Issue of share capital	6	4,350	(215)	-	4,135
Share-based payments	6, 9	60	519	-	579
Costs of capital	9	(660)	380	-	(280)
Total transactions with owners		3,750	684	-	4,434
Balance as at 31 December 2021	137,557	684	2,718	(79,128)	61,831
Balance as at 1 July 2020	127,779	41	5,286	(74,799)	58,307
Loss for the period	-	-	-	(2,336)	(2,336)
Other comprehensive loss					
Exchange differences arising on translation of foreign operations	-	-	(1,122)	-	(1,122)
Total comprehensive loss for the period	-	-	(1,122)	(2,336)	(3,458)
Transactions with owners, recorded directly in equity					
Issue of share capital	6	111	(111)	-	-
Share-based payments	6, 9	249	105	-	354
Total transactions with owners		360	(6)	-	354
Balance as at 31 December 2020	128,139	35	4,164	(77,135)	55,203

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Condensed Consolidated Statement of Cashflows

For the Half-Year Ended 31 December 2021

	31-Dec 2021 \$'000	31-Dec 2020 \$'000
Cash Flows from Operating Activities		
Payments to suppliers and employees	(667)	(347)
Interest paid	(1)	(11)
Other receipts	-	53
Net cash flows used in operating activities	(668)	(305)
Cash Flows from Investing Activities		
Payments for exploration and evaluation	(744)	(379)
Payments for property, plant and equipment	-	(2)
Net cash flows used in investing activities	(744)	(381)
Cash Flows from Financing Activities		
Proceeds from issue of shares	4,000	-
Payments for share issue costs	(280)	-
Net cash flows generated from financing activities	3,720	-
Net increase/(decrease) in cash and cash equivalents	2,308	(686)
Effect of exchange rates on cash	-	-
Cash and cash equivalents at the beginning of financial period	2,528	2,125
Cash and cash equivalents at the end of the financial period	4,836	1,439

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Condensed Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

Note 1. Statement of Significant Accounting Policies

Statement of Compliance

Ironbark Zinc Limited (the 'Company') is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The half-year consolidated financial report of the Company for the six months ended 31 December 2021, comprise the Company and its subsidiaries (the 'Consolidated Entity' or 'Group').

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Ironbark Zinc Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These consolidated half-year financial statements were authorised for issue in accordance with a resolution of the directors on 14 March 2022.

Basis of Preparation

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2021. Those accounting policies comply with Australian Accounting Standards and with International Financial Reporting Standards.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Consolidated Entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. No significant impact is expected from the adoption of the new, revised or amended Accounting Standards.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.



Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Significant Accounting Estimates, Judgements and Assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

- (i) *Share based payment transactions*
The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.
- (ii) *Carrying value of exploration and evaluation assets*
The Company assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that impairment testing of the project was not required.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respects to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Note 2. Other Assets

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Non-Current		
Environmental bond ¹	2,884	2,925
Security deposits	50	50
Total Non-Current Other Assets	2,934	2,975

Notes:

1. Over the period July 2018 to December 2019, IBG transferred approximately 14 million Danish Kroner (DKK) into a Greenlandic escrow account to cover the potential rehabilitation of the exploration camp at Citronen. This cash is currently static and IBG has no further site works planned in 2022 due to travel restrictions into Greenland.

The Government of Greenland agreed to allow IBG to redraw 50% of the escrowed funds over May and June 2020, being AUD \$1.518 million (DKK 6.63 million). The key condition of drawdown is that these funds are reinstated no more than 24 months later provided that the Citronen exploration camp is still potentially in need of rehabilitation. Under the prevailing government conditions, if the Citronen project moves into development within the next 24 months, then it is likely that a revised bonding regime will be re-instated.

As at 31 December 2021, non-current environmental bond assets consist of Greenland escrow account balance of AUD \$1.384 million and repayable non-cash balance of \$1.500 million. The repayable amount is reflected as a current liability at Note 5.

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Note 3. Exploration and Evaluation Expenditure

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Movement in Carrying Value:		
Balance at the beginning of the period	56,829	55,248
Exploration expenditure capitalised during the period	242	4,778
Foreign exchange movement on translation	(918)	(1,651)
Impairment of exploration expenditure	-	(1,546)
Carrying Amount at the End of the Period	56,153	56,829

The carrying value of the exploration expenditure is dependent upon:

- The continuance of the rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

Note 4. Trade and Other Payables

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Current		
Trade payables	289	674
Sundry payables and accrued expenses	335	558
Total Trade and Other Payables	624	1,232

Note 5. Other Liabilities

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Current		
Environmental bond payable ¹	1,500	1,518
Total Current Liabilities	1,500	1,518

Notes:

1. Over the period July 2018 to December 2019, IBG transferred approximately 14 million Danish Kroner (DKK) into a Greenlandic escrow account to cover the potential rehabilitation of the exploration camp at Citronen. This cash is currently static and IBG has no further site works planned in 2022 due to travel restrictions into Greenland.

The Government of Greenland agreed to allow IBG to redraw 50% of the escrowed funds over May and June 2020, being AUD \$1.518 million (DKK 6.63 million). The key condition of drawdown is that these funds are reinstated no more than 24 months later provided that the Citronen exploration camp is still potentially in need of rehabilitation. Under the prevailing government conditions, if the Citronen project moves into development within the next 24 months, then it is likely that a revised bonding regime will be re-instated.

Refer to Note 2 Other Assets for details of environmental bond assets at 31 December 2021.

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Note 6. Issued Capital

A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.

1,306,667,640 fully paid ordinary shares (30 June 2021:
1,202,791,694)
Less: capital raising costs

31-Dec 2021 \$'000	30-Jun 2021 \$'000
--------------------------	--------------------------

142,411	138,001
(4,854)	(4,194)
137,557	133,807

a) Ordinary Shares – Number of Shares

At the beginning of the reporting period

Shares issued during the period:

- Placement¹
- Shares issued to advisors²
- Shares issued to consultants³
- Shares issued in consideration for royalty extinguishment
- Conversion of performance rights⁴
- Shares issued to Directors
- Share Purchase Plan
- Placement

Total at the end of the reporting period

31-Dec 2021 No.	30-Jun 2021 No.
-----------------------	-----------------------

1,202,791,694	920,409,145
90,909,087	125,000,000
5,986,661	13,146,658
1,980,198	1,875,000
-	122,000,000
5,000,000	18,395,826
-	1,965,065
-	-
-	-
1,306,667,640	1,202,791,694

b) Ordinary Shares – Value of Shares

At the beginning of the reporting period

Shares issued during the period:

- Placement¹
- Shares issued to advisors²
- Shares issued to consultants³
- Shares issued in consideration for royalty extinguishment
- Conversion of performance rights⁴
- Shares issued to Directors
- Share Purchase Plan
- Placement

Total at the end of the reporting period

31-Dec 2021 \$'000	30-Jun 2021 \$'000
--------------------------	--------------------------

138,001	131,715
4,000	3,000
135	304
60	45
-	2,684
215	208
-	45
-	-
-	-
142,411	138,001

Notes:

1. On 10 December 2021 the Company announced that it had received firm commitments for the issue of 90.91 million shares at \$0.044 per share to raise \$4 million.

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

2. On 19 October 2021 the Company issued 5,986,661 fully paid ordinary shares at an issue price of \$0.0227 per share to Bacchus Capital Advisers, in lieu of a cash sign-on fee. This represented the second and final tranche of the sign-on fee and was accrued for at 30 June 2021.
3. On 22 December 2021 the Company issued 1,980,198 fully paid ordinary shares at an issue price of \$0.0303 per share to Bennelong Resource Capital in lieu of cash for consulting services.
4. On 22 December 2021 the Company issued 5,000,000 fully paid ordinary shares to employees of the Company on conversion of vested Performance Rights. The Performance Rights Tranche A vesting milestone was successfully achieved, being the Company receiving a positive initial credit decision from EXIM Bank in the form of a Preliminary Project Letter on 8 December 2021.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called.

Note 7. Reserves

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Share-based payments reserve ^(a)	684	-
Foreign currency reserve ^(b)	2,718	3,638
Total Reserves	3,402	3,638

Notes:

a) Share-Based Payments Reserve

The share-based payments reserve records items recognised as expenses as the value of employee shares and consultants' options are brought to account.

A reconciliation of the movement in the share-based payments reserve as at 31 December 2021 is as follows:

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
At the beginning of the reporting period	-	41
Share-based payments expense (Note 9)	519	167
Share-based payment – costs of capital (Note 9)	380	-
Conversion of Performance Rights (Note 6)	(215)	(208)
Total at the End of the Reporting Period	684	-

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

b) Foreign Currency Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
At the beginning of the reporting period	3,638	5,286
Exchange differences arising on translation of foreign operations	(920)	(1,648)
Total at the End of the Reporting Period	2,718	3,638

Note 8. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and Managing Director (chief operating decision makers) to make decisions about resources to be allocated to the segments and assess their performance. Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Greenland. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(d) Unallocated items

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Geographical Information

	31-Dec 2021 \$'000	30-Jun 2021 \$'000
Non-Current Assets		
Australia	2,977	3,012
Greenland	56,112	56,794
Total Non-Current Assets	59,089	59,806

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

	Australia \$'000	Greenland \$'000	Total \$'000
31 December 2021			
Revenue			
Unallocated Revenue			
Other revenue	-	-	-
Total Revenue	-	-	-
Expenses			
Impairment expense	-	-	-
Allocated Segment Expenses	-	-	-
Unallocated Expenses			
Corporate and compliance expense	-	-	(178)
Employee benefits expense	-	-	(233)
Consulting expense	-	-	(69)
Share-based payments expense	-	-	(583)
Finance expense	-	-	(268)
Foreign exchange loss	-	-	(23)
Income tax expense	-	-	-
Loss for the Period	-	-	(1,354)
Segment Assets			
Cash and cash equivalents	4,734	102	4,836
Trade and other receivables	58	-	58
Financial assets	10	-	10
Exploration and evaluation expenditure	41	56,112	56,153
Property, plant and equipment	2	-	2
Other assets	50	2,884	2,934
Total Assets	4,895	59,098	63,993
Segment Liabilities			
Trade and other payables	412	212	624
Provisions	38	-	38
Other liabilities	-	1,500	1,500
Total Liabilities	450	1,712	2,162

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

	Australia \$'000	Greenland \$'000	Total \$'000
31 December 2020			
Revenue			
Unallocated Revenue			
Other revenue	-	-	53
Total Revenue	-	-	53
Expenses			
Impairment expense	(1,538)	-	(1,538)
Allocated Segment Expenses	(1,538)	-	(1,538)
Unallocated Expenses			
Corporate and compliance expense	-	-	(172)
Employee benefits expense	-	-	(186)
Consulting expense	-	-	(10)
Share-based payments expense	-	-	(464)
Foreign exchange loss	-	-	(19)
Income tax expense	-	-	-
Loss for the Period	-	-	(2,336)
30 June 2021			
Segment Assets			
Cash and cash equivalents	2,424	104	2,528
Trade and other receivables	111	-	111
Financial assets	10	-	10
Exploration and evaluation expenditure	35	56,794	56,829
Property, plant and equipment	2	-	2
Other assets	50	2,925	2,975
Total Assets	2,632	59,823	62,455
Segment Liabilities			
Trade and other payables	1,221	11	1,232
Provisions	34	-	34
Other liabilities	-	1,518	1,518
Total Liabilities	1,255	1,529	2,784

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Note 9. Share-Based Payments

	31-Dec 2021 \$'000	31-Dec 2020 \$'000
Performance rights ^{1,2}	458	105
Loan shares ³	61	-
Director fees in lieu of cash	-	23
Advisor fees in lieu of cash – issued ⁴	64	204
Advisor fees in lieu of cash – accrued	-	132
Total Share-Based Payments – P&L	583	464
Advisor fees in lieu of cash – issued ⁵	380	-
Total Share-Based Payments – Equity (Costs of Capital)	380	-

Notes:

- On 8 October 2021, 10,000,000 performance rights were issued in two tranches to employees of the Company. They vest in two equal tranches, subject to the Company receiving a positive initial credit decision from EXIM Bank within 12 months of the date of issue of the performance rights and the employee remaining employed with the Company for 12 months from the date of issue of the performance rights. The rights were valued using the Black-Scholes option valuation model and are being expensed over the vesting period of the rights. On 8 December 2021 the Performance Rights Tranche A vesting milestone was achieved.

Valuation and Assumptions of Performance Rights:

	Tranche A	Tranche B
Grant date	8 Oct 2021	8 Oct 2021
Number	5,000,000	5,000,000
Share price	\$0.043	\$0.043
Exercise price	\$0.00	\$0.00
Vesting date	8 Oct 2022	8 Oct 2022
Expiry date	8 Oct 2022	8 Oct 2022
Volatility	115.73%	115.73%
Option life	1.00	1.00
Dividend yield	-	-
Risk-free interest rate	0.10%	0.10%
Value per right	\$0.043	\$0.043
Total fair value	\$215,000	\$215,000
Expense vested during period	\$215,000	\$49,479

- On 29 November 2021, 8,000,000 performance rights were approved for issue to Managing Director, Mr Michael Jardine at the Company's Annual General Meeting. They vest in two equal tranches, subject to the Company receiving a positive initial credit decision from EXIM Bank within 12 months of the date of issue of the performance rights and Mr Jardine remaining employed with the Company for 12 months from the date of issue of the performance rights. The rights were valued using the Black-Scholes option valuation model and are being expensed over the vesting period of the rights. On 8 December 2021 the Performance Rights Tranche A vesting milestone was achieved.

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Valuation and Assumptions of Performance Rights:		
	Tranche A	Tranche B
Grant date	29 Nov 2021	29 Nov 2021
Number	4,000,000	4,000,000
Share price	\$0.044	\$0.044
Exercise price	\$0.00	\$0.00
Vesting date	8 Oct 2022	8 Oct 2022
Expiry date	8 Oct 2022	8 Oct 2022
Volatility	115.73%	115.73%
Option life	0.86	0.86
Dividend yield	-	-
Risk-free interest rate	0.10%	0.10%
Value per right	\$0.044	\$0.044
Total fair value	\$176,000	\$176,000
Expense vested during period	\$176,000	\$17,994

3. On the 29 October 2021, the Company announced that the vesting condition for the advance of 30,000,000 loan share to Managing Director, Mr Michael Jardine, and 15,000,000 loan shares to the Chairman Dr Frederick Hess, being a 20-day volume weighted average price (VWAP) condition of \$0.046 per share, had been met. This represented a 100% uplift from the 20-day VWAP of the Company's shares prior to the date of the 2020 Annual General Meeting (2020 AGM).

Unless otherwise agreed, these loan shares can now be issued to Mr Jardine and Dr Hess, in accordance with the terms and conditions detailed in the Notice of Annual General Meeting released on the ASX on 27 October 2020. The limited recourse loans must be repaid within three years of the date of the 2020 AGM.

On 29 November 2021, a further 8,000,000 loan shares were approved for advance at the Annual General Meeting to Non-Executive Directors Mr Alexander Downer AC (4,000,000 loan shares) and Mr Paul Cahill (4,000,000 loan shares). The limited recourse loans were valued independently using the Hoadley option valuation model and are being expensed over the term of the loans.

Valuation and Assumptions of Loan Shares:		
	Tranche A	Tranche B
Grant date	27 Nov 2020	29 Nov 2021
Maximum number to be issued	45,000,000	8,000,000
Share price	\$0.0230	\$0.0410
Exercise price	\$0.0229	\$0.0423
Barrier price	\$0.0460	\$0.0460
Vesting date	N/A	N/A
Expiry date	27 Nov 2023	27 Nov 2024
Volatility	100%	100%
Option life	3.00	3.00
Dividend yield	-	-
Risk-free interest rate	0.11%	0.92%
Value per loan share	\$0.0139	\$0.0251
Total fair value	\$625,500	\$200,800
Expense vested during period	\$51,919	\$8,826

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

4. On 19 October 2021 the Company issued 5,986,661 fully paid ordinary shares at an issue price of \$0.0227 per share to advisors Bacchus Capital Advisers, in lieu of a cash sign-on fee. This represented the second and final tranche of the sign-on fee and was accrued for at 30 June 2021, resulting in an expense of \$4,000 in the current period. On 22 December 2021 the Company issued 1,980,198 fully paid ordinary shares at an issue price of \$0.0303 per share to Bennelong Resource Capital in lieu of cash for consulting services.
5. On 10 December 2021, 8,000,000 unlisted options were approved for issue to Morgans Corporate Limited as Lead Manager to the Placement and subsequently issued on 13 January 2022. The options have an exercise price of \$0.08 and expire on 17 December 2024. The options have been valued using the Black-Scholes option valuation model and expensed as a cost of capital.

Valuation and Assumptions of Options:

	Options
Grant date	10 Dec 2021
Number	8,000,000
Share price	\$0.054
Exercise price	\$0.08
Vesting date	10 Dec 2021
Expiry date	17 Dec 2024
Volatility	189.13%
Option life	3.02
Dividend yield	-
Risk-free interest rate	0.94%
Value per option	\$0.0475
Total fair value	\$380,277
Expense vested during period	\$380,277

Note 10. Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		31-Dec 2021	30-Jun 2021
Parent Entity			
Ironbark Zinc Limited	Australia	100%	100%
Subsidiaries of Ironbark Zinc Limited:			
Ironbark Zinc Pty Ltd	Australia	100%	100%
Doctor Evil Pty Ltd	Australia	100%	100%
Ironbark Aust Pty Ltd	Australia	100%	100%
Bedford (No 3) Ltd	British Virgin Islands	100%	100%
Subsidiaries of Ironbark Aust Limited:			
Ironbark A/S	Greenland	100%	100%

There were no acquisitions or disposals of controlled entities during the period.

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Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2021

Note 11. Key Management Personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Note 12. Dividends

No dividends have been declared or paid during the half-year ended 31 December 2021.

Note 13. Contingent Assets and Liabilities

There has been no change to contingent liabilities since the last annual reporting date.

Note 14. Events After Reporting Date

On 9 March 2022 the Company issued 434,783 fully paid ordinary shares at an issue price of \$0.046 per share to Bacchus Capital Advisers in lieu of cash for management fees.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

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Directors' Declaration

For the Half-Year Ended 31 December 2021

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 28 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, and Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Michael Jardine
Managing Director
14 March 2022

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