Half-Year Report

For the Period Ended 31 December 2020

Contents

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 2020 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.

Corporate Directory

Non-Executive Chairman	Frederick Hess
Managing Director	Michael Jardine
Non-Executive Director	Maciej Sciazko
Company Secretary	Jonathan Whyte
Principal & Registered Office	Units 32/33, 22 Railway Road 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

Directors' Report

Your Directors present their report on Ironbark Zinc Limited (the "Company" and "Ironbark") and its controlled entities (together the "Consolidated Entity") for the half-year ended 31 December 2020.

Directors

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

- Frederick Hess
- Michael Jardine
- Maciej Sciazko

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 $2.34 million (31 December 2019: $0.83 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 current period has been on updating, optimising and de-risking the existing mine plan at Citronen through a series of studies culminating in an updated Feasibility Study due for delivery in the first half of 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)

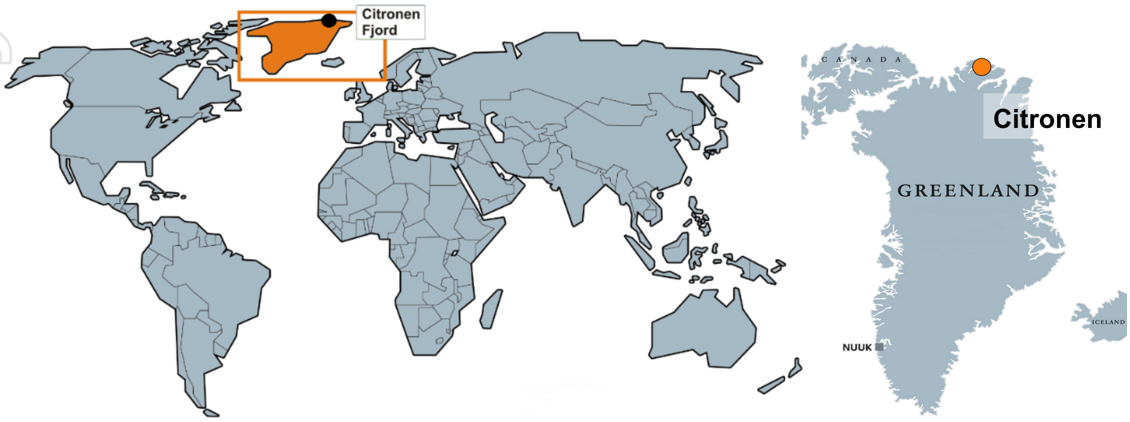

Figure 1 - Citronen Base Metals Projects, Greenland

Feasibility Study Update

One of the first tasks of the current Board of Ironbark was to review, and where appropriate fundamentally update, the historic technical work underpinning the Citronen Bankable Feasibility Study (**BFS**) given the long passage of time since that work was first completed.

Geology was quickly reviewed to the satisfaction of the Board, as were the key Environmental, Social and Governance elements of the development plan. The mine plan was successfully re-optimised during 2020 with the results announced in the September quarter of that year.

Ongoing study work since then has largely been focused on engineering, construction, processing and logistics to ensure that these embrace the latest in technical and related developments. An updated minerals marketing strategy is also being prepared for inclusion in the 2021 BFS, targeted for release in the second quarter of 2021.

The updated BFS is the critical step in allowing IBG to apply to convert its non-binding Letter of Interest (**LOI**) from the Export Import Bank of the United States (**EXIM**) (refer to Corporate section), which will cornerstone the entire financing package, into a binding facility. Delivering this is the key focus of the Company’s Board and executive team at present.

Section 19-43 Exploitation and Closure Permit granted by Greenland Government

On 7 December 2020 Ironbark announced that it had received its Section 19-43 Permit from the Government of Greenland. The approval ends the 9-year long permitting process covering Ironbark’s Exploitation (Mining) Licence approval (2011-2016) and subsequent Section 19-43 (Exploitation and Closure Plan) approval (2016-2020) and was yet another major achievement by the Company in 2020.

The Section 19-43 Permit sets out the exploitation plan and closure requirements for the Citronen Project and, In the Board’s opinion, is the last permit required before a final investment decision is made to proceed at Citronen in 2021.

For further details on the Greenland permitting process please refer to the ASX announcement released on 7 December 2020.

Directors' Report (continued)

Maiden Ore Reserve

On 14 September 2020 the Company announced the maiden JORC 2012 compliant Ore Reserve for the underground deposit at Citronen of 21.3Mt @ 6.3% Zn equivalent containing 1.3Mt of Zn metal and 0.1mt of Pb metal. The Citronen Ore Reserve was prepared by independent mining consultancy Mining Plus, in accordance with the JORC Code 2012.

The current JORC 2012 compliant Ore Reserve for Citronen is summarised below:

21.3 million tonnes @ 6.3% Zn equiv containing 1.3Mt of Zn metal and 0.1mt of Pb metal

Category	Tonnes (Mt)	ZnEq Grade (%)	Zn Grade (%)	Pb Grade (%)	ZnEq Metal (Mt)	Zn Metal (Mt)	Pb Metal (Mt)
Proved	7.8	6.3	5.9	0.6	0.5	0.5	0.04
Probable	13.5	6.3	6.0	0.4	0.8	0.8	0.06
Total P&P	**21.3**	**6.3**	**6.0**	**0.5**	**1.3**	**1.3**	**0.10**

Table 1: JORC 2012 compliant ore reserve – Citronen

The Ore Reserve is based on Measured and Indicated Resources only and does not include any Inferred Mineral Resources. JORC Table 1 included in an announcement to the ASX released on 14th September 2020: "Maiden Ore Reserve defined at Citronen Project" and further information as provided in the ASX announcement dated 18 September 2020. Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This was another major step in de-risking the Citronen investment proposition given the much greater confidence level implied in moving to an Ore Reserve. It also further distances Ironbark from its developer peers and satisfies a pre-condition very likely to be encountered by Ironbark when it moves into a more active project finance process in 2021. For further details please refer to the ASX announcements on 14 & 18 September 2020.

Ironbark has an existing JORC 2012 compliant mineral resource for Citronen as per below, as released on 12th March 2020.

70.8 million tonnes @ 5.7% Zn + Pb

Category	Mt	Zn%	Pb%	Zn+Pb%
Measured	25.0	5.0	0.5	5.5
Indicated	26.5	5.5	0.5	6.0
Inferred	19.3	4.9	0.4	5.4
Total	**70.8**	**5.1**	**0.5**	**5.7**

Table 2: JORC 2012 compliant mineral resource – Citronen

JORC Table 1 included in an announcement to the ASX released on 12 March 2020: "Citronen Project Resources". Ironbark confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Directors' Report (continued)

Fiery Creek, Australia

With the successful tenement renewal application in 2020 at the Company's Fiery Creek Gold Project (EL6925) in New South Wales, the Ironbark Board engaged structural geologists E J Cowan PhD FAusIMM & E Grunsky PhD PGeo (BC) to revisit the copper and gold potential on the tenements.

The structural geological review provided the following key findings:

- Two major structural features were identified as likely controlling the Au mineralisation, with the Fiery Creek structural setting appearing to be analogous to the Ballarat East deposit in the Victorian Goldfields;
- Principal Component Analysis (PCA) was conducted on historic soil survey data comprising of arsenic, copper, lead and zinc assays. The highest arsenic and copper grades occur closest to the historic workings and may assist with drill target identification;
- Historic field work by Horizon Resources was confirmed as high quality. Further structural mapping is required however to determine fold plunges across the property with a view to determining the long-range mineralisation continuities; and
- Five initial high priority drill targets were identified from this preliminary review. All are proximal to historic workings (and coincide with high arsenic values) but are either undrilled or have only seen shallow (~20m) drilling to date.

At the time of writing, Ironbark has commenced the process to have exploration work permitted on EL6925.

Corporate

LOI Received from EXIM

On 2 November 2020 Ironbark announced that it had received a Letter of Interest (**LOI**) from the Export Import Bank of the United States (**EXIM**), the official export credit agency of the United States federal government. EXIM has current exposure to US$55 billion in lending across 161 countries around the world and has specific expertise in investing in mining projects.

While the LOI is non-binding and does not represent an official commitment from EXIM, it is an important step in advancing a project financing plan for the development of the Citronen Project. The execution of the LOI was the culmination of 6 months of discussions between the parties in which the representatives of EXIM were made familiar with the Citronen project and Ironbark's proposed development plans.

The key commercial terms of the LOI are as follows:

- EXIM is able to consider financing up to US$216,125,000 of the US content for Citronen;
- The LOI contemplates that a maximum loan term of 8.5 years will be made available to Ironbark;
- Ironbark can select either a Guaranteed or Direct Loan. The interest rate for the Direct Loan option is governed by Commercial Interest Reference Rates (**CIRRs**) and for USD loans, the CIRR is governed by the U.S. Treasury Rate. The current CIRR for transactions with a repayment period of 8.5 years is 1.46%; and
- An initial expiry date of 6 months from signing of the LOI has been agreed. This can be renewed at Ironbark's request at six-month intervals, for a maximum of two years.

The Ironbark Board has consistently targeted 2021 for a Final Investment Decision (**FID**) on the development of Citronen, and whilst this timeline remains unchanged, the EXIM LOI builds momentum towards achieving that goal.

Directors' Report (continued)

Mandate Executed with Bacchus Capital Advisers

On 3 December 2020 Ironbark announced the appointment of London based Bacchus Capital Advisers (**BCA**) to assist the Board with achieving a positive FID for Citronen in 2021.

BCA is an independent London-based investment and merchant banking platform led by Peter Bacchus, who has extensive experience in resource capital markets, including in the northern hemisphere, where Ironbark is expected to focus its FID process in 2021. Peter Bacchus has raised in excess of $15 billion in public and private capital for the global natural resources sector and completed some of the industry's most transformational transactions.

The mandate signed with BCA is for an initial 12-month period and BCA's broad scope of work covers potential debt & equity raisings, M&A and takeover defence, considerations pertaining to potential project partners, and major commercial opportunities.

At the end of the half-year, cash available to the Company was $1.44 million (30 June 2020: $2.13 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

Ironbark Executes Buyback of Life of Mine Production Royalty

On 2 February 2021 the Company announced that it had executed a Term Sheet for the buyback of the Citronen Production Royalty (**Royalty**). Following a due diligence period settlement of the transaction occurred on 3 March 2021.

In exchange for the Life of Mine (**LOM**) 2.5% Net Smelter Return (**NSR**) Royalty being extinguished in full, the Company agreed to pay Pearyland Royalties Co. Limited the following consideration:

- A$316,000 in cash (payment completed 5 March 2021); and
- 122,000,000 fully paid ordinary shares from its existing 7.1 placement capacity (issued on 9 March 2021).

Vesting of Performance Rights

On 4 February 2021 the Company issued 9,197,913 fully paid ordinary shares to Managing Director, Michael Jardine on conversion of vested Performance Rights. The Performance Rights Tranche B vesting milestone was successfully achieved, being the 20-day VWAP of the Company's shares being at a 100% premium to the 20-day VWAP of the Company's shares prior to the 2019 AGM.

Directors' Report (continued)

Exploration Target Identified

On 11 February 2021 the Company announced that it had identified an Exploration Target, in addition to the known Mineral Resource, of 40 Mt to 90 Mt at 5.0% to 7.1% zinc + lead combined. The Exploration Target is based upon review of project drilling, rock chip samples and the limited geophysical data available. A 3D geological model of the project was used to assist in identifying prospective areas. Refer to the announcement made on 11 February 2021 for further details.

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

The Exploration Target is 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. Ironbark 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 on 12 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.

Placement Successfully Completed

On 9 March 2021 the Company announced that it had received firm commitments for the issue of 125 million shares at $0.024 per share to raise $3 million (**Placement**). The proceeds of the placement will be applied to completing the 2021 BFS, underwriting the costs of the EXIM loan process and for general working capital.

Coronavirus (COVID-19) Pandemic

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 further 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.

Directors' Report (continued)

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.

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 2020 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

M. Jardine

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Michael Jardine
Managing Director
12 March 2021

Advisory • Audit
Business Solutions

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 2020, 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

PKF PERTH

SHANE CROSS
PARTNER

12TH MARCH 2021
WEST PERTH
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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 2020, 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 2020, 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 2020 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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report in which indicates that the consolidated entity incurred a net loss of $2,336,672 during the half year ended 31 December 2020 and had negative operating cashflow of $305,373. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial 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.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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 2020 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

PKF PERTH

SHANE CROSS
PARTNER

12TH MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Notes	31-Dec 2020 $'000	31-Dec 2019 $'000
Other revenue		53	195
Corporate and compliance expense		(172)	(266)
Employee benefits expense		(186)	(296)
Consulting expense		(10)	(52)
Share-based payments expense	*9*	(464)	(15)
Impairment expense		(1,538)	(447)
Foreign exchange (loss)/gain	*3*	(19)	50
Loss before income tax		**(2,336)**	**(831)**
Income tax expense		-	-
Loss for the period		**(2,336)**	**(831)**
Other comprehensive loss, net of income tax			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(1,122)	(646)
Other comprehensive loss, net of income tax		(1,122)	(646)
Total comprehensive loss for the period		**(3,458)**	**(1,477)**
Loss per share			
Basic and diluted loss per share (cents)		(0.25)	(0.10)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31-Dec 2020 $'000	30-Jun 2020 $'000
Current Assets			
Cash and cash equivalents		1,439	2,125
Trade and other receivables		26	63
Financial assets		10	10
Total Current Assets		1,475	2,198
Non-Current Assets			
Exploration and evaluation expenditure	*3*	53,252	55,248
Property, plant and equipment		2	-
Other assets	*2*	3,017	3,084
Total Non-Current Assets		56,271	58,332
Total Assets		**57,746**	**60,530**
Current Liabilities			
Trade and other payables	*4*	974	619
Provisions		30	26
Total Current Liabilities		1,004	645
Non-Current Liabilities			
Other liabilities	*5*	1,539	1,578
Total Non-Current Liabilities		1,539	1,578
Total Liabilities		**2,543**	**2,223**
Net Assets		**55,203**	**58,307**
Equity			
Issued capital	*6*	128,139	127,779
Reserves	*7*	4,199	5,327
Accumulated losses		(77,135)	(74,799)
Total Equity		**55,203**	**58,307**

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 2020

	Notes	Issued Capital $'000	Share-based payment reserve $'000	Foreign translation reserve $'000	Accumulated Losses $'000	Total $'000
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**
Balance at 1 July 2019		**124,813**	**-**	**4,544**	**(73,314)**	**56,043**
Loss for the period		-	-	-	(831)	(831)
Other comprehensive income						
Exchange differences arising on translation of foreign operations		-	-	(646)	-	(646)
Total comprehensive loss for the period		-	-	(646)	(831)	(1,477)
Transactions with owners, recorded directly in equity						
Issue of share capital	*6*	3,041	-	-	-	3,041
Share-based payments	*9*	9	6	-	-	15
Costs of issuing capital		(84)	-	-	-	(84)
Total transactions with owners		**2,966**	**6**	**-**	**-**	**2,972**
Balance as at 31 December 2019		**127,779**	**6**	**3,898**	**(74,145)**	**57,538**

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 2020

	Notes	31-Dec 2020 $'000	31-Dec 2019 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(347)	(791)
Interest received		(11)	(116)
Other receipts		53	195
Net cash flows used in operating activities		**(305)**	**(712)**
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(379)	-
Payments for environmental bonds		-	(1,683)
Payments for property, plant and equipment		(2)	-
Net cash flows used in investing activities		**(381)**	**(1,683)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	3,041
Payments for share issue costs		-	(84)
Net cash flows generated from financing activities		**-**	**2,957**
Net (decrease)/increase in cash and cash equivalents		(686)	562
Effect of exchange rates on cash		-	(1)
Cash and cash equivalents at the beginning of financial period		2,125	591
Cash and cash equivalents at the end of the financial period		**1,439**	**1,152**

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

Condensed Notes to the Financial Statements

For the Half-Year Ended 31 December 2020

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 2020, 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 2020 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 12 March 2021.

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 2020. Those accounting policies comply with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern Basis

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss after tax of $2.34 million for the period ended 31 December 2020 (31 December 2019: $0.83 million). As at 31 December 2020 the Consolidated Entity had net assets of $55.20 million (30 June 2020: $58.31 million) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2020 the Consolidated Entity had $1.44 million (30 June 2020: $2.13 million) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future.

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

On 9 March 2021 the Company announced that it had received firm commitments for the issue of 125 million shares at $0.024 per share to raise $3 million. The proceeds of the placement will be applied to completing the 2021 BFS, underwriting the costs of the EXIM loan process and for general working capital. Should the Consolidated Entity be unable successfully complete the raising of these additional funds, there is a material uncertainty which may cast significant doubt over the Consolidated Entity ability to continue as a going concern. As at 31 December 2020 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Consolidated Entity not continue as a going concern.

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.

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.

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

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 2020 $'000	30-Jun 2020 $'000
Non-Current		
Environmental bond[1]	2,967	3,034
Security deposits	50	50
Total Non-Current Other Assets	**3,017**	**3,084**

Notes:

1. Over the period July 2018 to December 2019, the Company 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 the Company has no further site works planned in 2021 due to travel restrictions into Greenland.

   The Government of Greenland agreed to allow the Company to redraw 50% of the escrowed funds over May and June 2020, being A$1.54 million (DKK 7.15 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 2020, non-current environmental bond assets consist of Greenland escrow account balance of A$1.43 million and repayable non-cash balance of A$1.54 million. The repayable amount is reflected as a non-current liability in Note 5 Other Liabilities.

Note 3. Exploration and Evaluation Expenditure

	31-Dec 2020 $'000	30-Jun 2020 $'000
Movement in Carrying Value:		
Balance at the beginning of the period	55,248	54,601
Exploration expenditure capitalised during the period	673	538
Foreign exchange movement on translation	(1,131)	739
Impairment of exploration expenditure	(1,538)	(630)
Carrying Amount at the End of the Period	**53,252**	**55,248**

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

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 2020 $'000	30-Jun 2020 $'000
Current		
Trade payables	532	91
Sundry payables and accrued expenses	442	528
Total Trade and Other Payables	**974**	**619**

Note 5. Other Liabilities

	31-Dec 2020 $'000	30-Jun 2020 $'000
Non-Current		
Environmental bond payable[1]	1,539	1,578
Total Non-Current Liabilities	**1,539**	**1,578**

Notes:

1. Over the period July 2018 to December 2019, the Company 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 the Company has no further site works planned in 2021 due to travel restrictions into Greenland.

   The Government of Greenland agreed to allow the Company to redraw 50% of the escrowed funds over May and June 2020, being A$1.54 million (DKK 7.15 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 2020.

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

Note 6. Issued Capital

	31-Dec 2020 $'000	30-Jun 2020 $'000
A reconciliation of the movement in capital and reserves for the consolidated group can be found in the Statement of Changes in Equity.		
940,552,114 fully paid ordinary shares (30 June 2020: 920,409,145)	132,075	131,715
Less: capital raising costs	(3,936)	(3,936)
	128,139	**127,779**

	31-Dec 2020 No.	30-Jun 2020 No.
a) Ordinary Shares – Number of Shares		
At the beginning of the reporting period	920,409,145	709,650,690
Shares issued during the period:		
• Conversion of Performance Rights[1]	9,197,913	-
• Shares issued to Directors[2]	1,965,065	617,788
• Shares issued to advisors[3]	8,979,991	-
• Share Purchase Plan	-	136,066,593
• Placement	-	74,074,074
Total at the End of the Reporting Period	**940,552,114**	**920,409,145**

	31-Dec 2020 $'000	30-Jun 2020 $'000
b) Ordinary Shares – Value of Shares		
At the beginning of the reporting period	131,715	128,665
Shares issued during the period:		
• Conversion of Performance Rights[1]	111	-
• Shares issued to Directors[2]	45	9
• Shares issued to advisors[3]	204	-
• Share Purchase Plan	-	2,041
• Placement	-	1,000
Total at the End of the Reporting Period	**132,075**	**131,715**

Notes:

1. On 1 December 2020 the Company issued 9,197,913 fully paid ordinary shares to Managing Director, Michael Jardine on conversion of vested Performance Rights. The Performance Rights Tranche A vesting milestone was successfully achieved, being the 20-day VWAP of the Company's shares being at a 50% premium to the 20-day VWAP of the Company's shares prior to the 2019 AGM.
2. On 1 December 2020 the Company issued 1,965,065 fully paid ordinary shares at an issue price of $0.0229 per share in lieu of director's fees.
3. On 3 December 2020 the Company issued 8,979,991 fully paid ordinary shares at an issue price of $0.0227 per share to corporate advisors in lieu of cash.

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

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 2020 $'000	30-Jun 2020 $'000
Share-based payments reserve[(a)]	35	41
Foreign currency reserve[(b)]	4,164	5,286
Total Reserves	**4,199**	**5,327**

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 2020 is as follows:

	31-Dec 2020 $'000	30-Jun 2020 $'000
At the beginning of the reporting period	41	-
Share-based payments (Note 9)	105	41
Conversion of Performance Rights (Note 6)	(111)	-
Total at the End of the Reporting Period	**35**	**41**

b) Foreign Currency Reserve

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

	31-Dec 2020 $'000	30-Jun 2020 $'000
At the beginning of the reporting period	5,286	4,544
Exchange differences arising on translation of foreign operations	(1,122)	742
Total at the End of the Reporting Period	**4,164**	**5,286**

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

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 2020 $'000	30-Jun 2020 $'000
Non-Current Assets		
Australia	85	1,583
Greenland	56,186	56,749
Total Non-Current Assets	**56,271**	**58,332**

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

	Australia $'000	Greenland $'000	Total $'000
As at 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)**
Segment Assets			
Cash and cash equivalents	1,333	106	1,439
Trade and other receivables	26	-	26
Financial assets	10	-	10
Exploration and evaluation expenditure	34	53,218	53,252
Property, plant and equipment	2	-	2
Other assets	50	2,967	3,017
Total Assets	**1,455**	**56,291**	**57,746**
Segment Liabilities			
Trade and other payables	458	516	974
Provisions	30	-	30
Other liabilities	-	1,539	1,539
Total Liabilities	**488**	**2,055**	**2,543**

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

	Australia $'000	Greenland $'000	Total $'000
As at 31 December 2019			
Revenue			
Unallocated Revenue			
Other revenue	-	-	195
Total Revenue	**-**	**-**	**195**
Expenses			
Impairment expense	-	(447)	(447)
Allocated Segment Expenses	**-**	**(447)**	**(447)**
Unallocated Expenses			
Corporate and compliance expense	-	-	(266)
Employee benefits expense	-	-	(296)
Consulting expense	-	-	(52)
Share-based payments expense	-	-	(15)
Foreign exchange gain	-	-	50
Income tax expense	-	-	-
Loss for the Period	**-**	**-**	**(831)**
Segment Assets			
As at 30 June 2020			
Cash and cash equivalents	2,016	109	2,125
Trade and other receivables	63	-	63
Financial assets	10	-	10
Exploration and evaluation expenditure	1,533	53,715	55,248
Other assets	50	3,034	3,084
Total Assets	**3,672**	**56,858**	**60,530**
Segment Liabilities			
As at 30 June 2020			
Trade and other payables	435	184	619
Provisions	26	**-**	26
Other liabilities	-	1,578	1,578
Total Liabilities	**461**	**1,762**	**2,223**

Note 9. Share-Based Payments

	31-Dec 2020 $'000	31-Dec 2019 $'000
Performance rights[1]	105	15
Director fees in lieu of cash – issued[2]	19	-
Director fees in lieu of cash – accrued[2]	4	-
Advisor fees in lieu of cash – issued[3]	204	-
Advisor fees in lieu of cash – accrued[3]	132	-
Total Share-Based Payments	**464**	**15**

Notes:

1. On 9 December 2019, 18,395,826 performance rights were issued in two tranches to Managing Director, Michael Jardine. They vest in two equal tranches, subject to the share price trading 50% and 100% higher respectively, than the 20-day VWAP prior to the date of the 2019 Annual General Meeting for 5 consecutive trading days. The rights were valued independently using the Hoadley option valuation model and are being expensed over the vesting period of the rights. On 1 December 2020 the Performance Rights Tranche A vesting milestone was achieved.

Valuation and Assumptions of Performance Rights:	Tranche A	Tranche B
Grant date	28 Nov 2019	28 Nov 2019
Number	9,197,913	9,197,913
Share price	$0.014	$0.014
Exercise price	$0.00	$0.00
Vesting hurdle (20-day VWAP)	$0.0216	$0.0287
Vesting date	27 Nov 2022	27 Nov 2022
Expiry date	27 Nov 2023	27 Nov 2023
Volatility	70%	70%
Option life	4.00	4.00
Dividend yield	-	-
Risk-free interest rate	0.71%	0.71%
Value per right	$0.0121	$0.0105
Total fair value	$111,295	$96,758
Expense vested during period	$89,442	$16,229

2. On 1 December 2020 the Company issued 1,965,065 fully paid ordinary shares at an issue price of $0.0229 per share in lieu of director's fees. Of the total fair value of $45,000, $18,750 related to the current financial period. Additional amounts for Mr Hess' equity-based remuneration for the current financial period have been accrued as at 31 December 2020. Issue of the fully paid ordinary shares is subject to shareholder approval at the Company's Annual General Meeting.

3. On 3 December 2020 the Company issued 8,979,991 fully paid ordinary shares at an issue price of $0.0227 per share to corporate advisors Bacchus Capital Advisors in lieu of a cash sign-on fee. A second tranche of shares payable to Bacchus Capital Advisors, being 5,986,661 shares, is payable on 1 August 2021. This amount has been accrued as at 31 December 2021.

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

Note 10. Controlled Entities

	Country of Incorporation	Percentage Owned (%) 31-Dec 2020	30-Jun 2020
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.

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 2020.

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

Ironbark Executes Buyback of Life of Mine Production Royalty

On 2 February 2021 the Company announced that it had executed a Term Sheet for the buyback of the Citronen Production Royalty (**Royalty**). Following a due diligence period settlement of the transaction occurred on 3 March 2021.

In exchange for the Life of Mine (**LOM**) 2.5% Net Smelter Return (**NSR**) Royalty being extinguished in full, the Company agreed to pay Pearyland Royalties Co. Limited the following consideration:

- A$316,000 in cash (payment completed 5 March 2021); and
- 122,000,000 fully paid ordinary shares from its existing 7.1 placement capacity (issued on 9 March 2021).

Condensed Notes to the Financial Statements (continued)

For the Half-Year Ended 31 December 2020

Vesting of Performance Rights

On 4 February 2021 the Company issued 9,197,913 fully paid ordinary shares to Managing Director, Michael Jardine on conversion of vested Performance Rights. The Performance Rights Tranche B vesting milestone was successfully achieved, being the 20-day VWAP of the Company's shares being at a 100% premium to the 20-day VWAP of the Company's shares prior to the 2019 AGM.

Exploration Target Identified

On 11 February 2021 the Company announced that it had identified an Exploration Target, in addition to the known Mineral Resource, of 40 Mt to 90 Mt at 5.0% to 7.1% zinc + lead combined. The Exploration Target is based upon review of project drilling, rock chip samples and the limited geophysical data available. A 3D geological model of the project was used to assist in identifying prospective areas. Refer to the announcement made on 11 February 2021 for further details.

Placement Successfully Completed

On 9 March 2021 the Company announced that it had received firm commitments for the issue of 125 million shares at $0.024 per share to raise $3 million (**Placement**). The proceeds of the placement will be applied to completing the 2021 BFS, underwriting the costs of the EXIM loan process and for general working capital.

Coronavirus (COVID-19) Pandemic

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 further 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.

Directors' Declaration

For the Half-Year Ended 31 December 2020

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 2020 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
12 March 2021