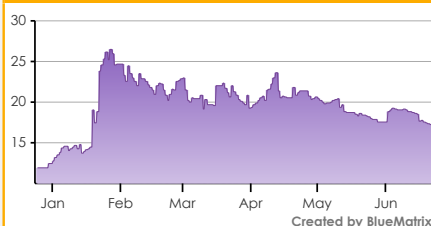


23 June 2021

Metals & Mining

52-WEEK HIGH	28.0p
52-WEEK LOW	8.8p
PRICE	17.2p
MARKET CAP	£88,771,650
NET CASH (MLN)	£12.00

Share Price



Major Shareholders

Assore Limited - 23.33%	
DGR Global Limited - 14.20%	
Sumitomo Corporation - 6.18%	
Vincent Mascolo - 3.10%	
Shares in issue	516,114,246
Avg Three-month trading volume	1,309,039
Primary Index	AIM
Next Key Announcement	Further Ewoyaa drill results -Q321

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Golden Spinout To Increase Shareholder Value

IronRidge Resources Ltd (LON:IRR) has announced its intention to demerge its gold assets located in both the Côte d'Ivoire and Chad into a new gold focused entity, which we have labelled NewGoldCo.

Ironridge will continue to advance its lithium portfolio, which includes the Ewoyaa Project, located in Ghana. While NewGoldCo will be listed on a recognised stock exchange and will have its own board and management.

Existing shareholders in IronRidge will still benefit from any upside resulting from the advancement of the gold projects by NewGoldCo through either a retained holding in NewGoldCo by IronRidge or by an in specie dividend of the shares in NewGoldCo to existing shareholders.

The exact timing of the spinout is not known at this stage and there are a number of steps and conditions that will need to be addressed as part of finalising the demerger structure, so there can be no guarantee that the demerger will complete at this stage.

Based on our experience we would expect the spinout to occur after August but before the calendar year-end, given the time required to get shareholders permission for the transaction, completing the listing documents, raising the funds required by NewGoldCo and market dynamics.

Spinout Benefits

We see the spinout as a positive development for IronRidge's shareholders for the following reasons:

1. Shareholders maintain exposure to all projects and benefit from any uplift in the projects value as the projects are advanced.
2. Both IronRidge's lithium and gold assets are currently undervalued in the current merged state. The demerger should result in value uplift for shareholders.
3. By having two companies focused on one commodity, the assets become more attractive to certain types investors, which prefer single commodity mining and exploration companies.
4. Single commodity business' should see greater uplift from rising gold and lithium prices.
5. By having their own corporate structure, management teams and balance sheets both companies will be able to focus on advancing their own portfolio to generate the most value for shareholders.
6. Makes it cleaner and simpler to secure strategic funding for the development of each project, through joint ventures or other corporate transactions.

Progress not being rewarded

IronRidge has made significant progress across both its gold and lithium projects this year, but despite this its share price is 39% down from its February 2021 high of 26.5p. This lack of recognition of the value added and progress made in a rising commodity market adds further justification for the spinout.

Lithium Project Portfolio

At Ewoyaa, IronRidge increased the scale of its ongoing, Phase Four drill programme by 32% to 16,600 meters (m) following excellent initial results. Since then, the Company has continued to consistently release positive assay results and other developments (Figure 1), with the programme continuing to successfully define new areas of lithium mineralisation.

Non-executive chairman - Neil Herbert

Herbert has over 23 years of experience in finance. He was formerly co-chairman and managing director of Polo Resources Limited, a director of Galahad Gold and Finance director of UraMin.

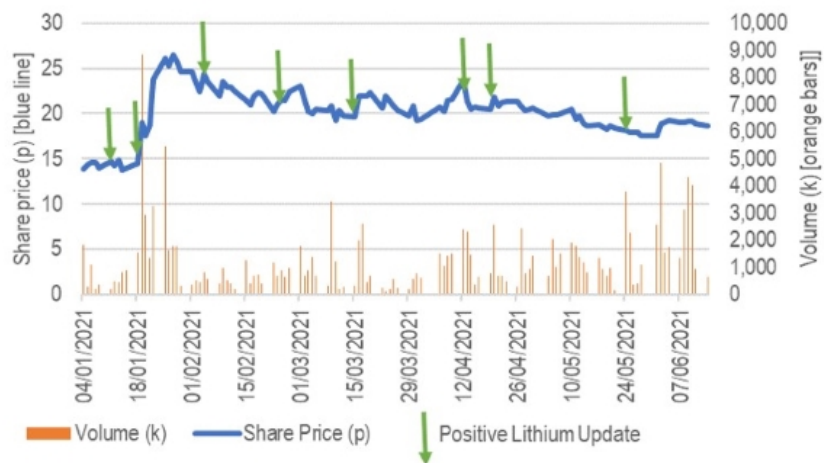
Chief executive - Vincent Mascolo

Mascolo is a mining engineer with over 25 years experience. He has held directorships for various public companies.

Chief operating officer - Len Kloff

Kloff has 18 years experience in the exploration and mining industry. He was previously managing director and technical director of Tawana Resources.

Figure 1 - IRR Share Price and Lithium Developments



Source: Mining and Metals Research Corp.

Phase Four is expected to have a positive impact on the current mineral resource estimate at Ewoyaa, which currently stands at 14.5 million tonnes (Mt) at a grade of 1.31% Li₂O.

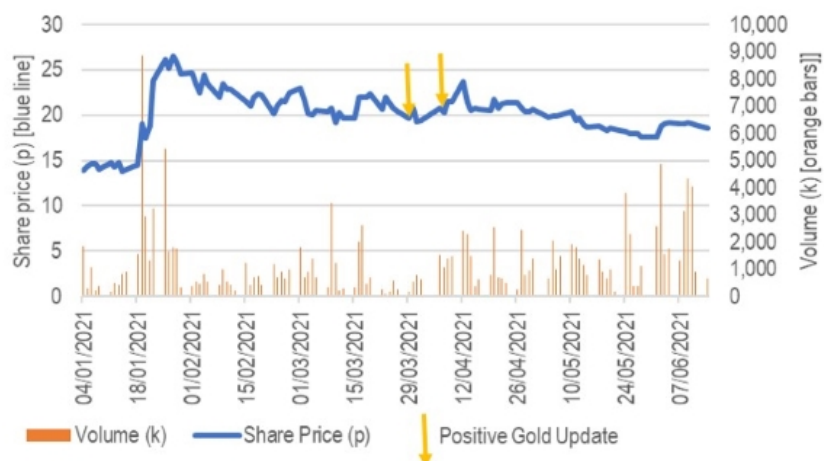
Increasing the resource base is likely to increase the volume of mineable material within the deposit, and it is confident that adding two additional years to the mine life would add around US\$80m to the NPV of the project. This would equate to a 23% increase to the NPV defined in the scoping study, completed January-21, which defined a post-tax NPV8 of US\$345m and a post-tax IRR of 125% over an initial 8-year mine life.

Gold Project Portfolio

At its gold portfolio IronRidge has achieved two key milestones with further developments hampered by the COVID-19 Pandemic affecting the Company's ability to get on the ground.

At the Zaranou Gold Project, located in Côte d'Ivoire, additional high-grade drill intersections were reported in March (Figure 2). IronRidge completed a 51,539m AC and RC drilling programme across the Mbasso, Ehuasso, Ebilassokro and Yakassé targets, as well as completing a further 645m of diamond drilling at Ehuasso for geology, density and twinning of RC holes, assay results are pending.

Figure 2 - IRR Share Price and Gold Developments



Source: Mining and Metals Research Corp.

In early April (Figure 2) IronRidge commenced drilling at the Kineta North gold licence in northeastern Côte d'Ivoire. This 2,500 m exploration reverse circulation drill programme is designed to test the Kineta North target where a 2 km long by 250 m wide >30 ppb Au soil anomaly with coincident underground artisanal workings over a 700m strike had been defined.

Future Developments

Assuming the demerger is approved by shareholders and NewGoldCo successfully lists on a recognised exchange there are a number of important milestones that will benefit both companies.

IronRidge

Shareholders of the newly demerged IronRidge can expect a slew of exciting milestones as the Company continues to fast track the Ewoyaa Lithium Project towards production. We have listed these below, as well as our own assumptions regarding the timeline of these developments.

- Additional assay results from the ongoing Phase Four drill programme with c. 12,000m of 16,600m programme reported to date, outstanding results anticipated to be early-Q321
- A JORC 2012 compliant Mineral Resource Estimate Upgrade, anticipated by early-Q421
- An updated scoping study reflecting the potential extension to the life of mine, and improved grade resulting from the updated resource estimate, as well as improved spodumene pricing, Q421
- Commencement of the Pre-Feasability Study, Q321
- Completion of the Pre-Feasability Study, H222
- The project is also likely to benefit from a rising spodumene concentrate (SC6) price; with IronRidge estimating that every US\$25/t increase in the SC6 price results in an additional US\$60m increase in the post-tax NPV over an 8-year mine life and an additional US\$75m increase in the post-tax NPV over a 10-year mine life.

NewGoldCo

We would also expect to see NewGoldCo undertake an extensive drill programme across a number of the Company's projects following its IPO, while no detailed plans regarding these drill programme have been made public yet, the admission document for the new listing will give us plenty of detail.

Given the suite of quality gold assets within NewGoldCo, it is reasonable to expect the Company to employ multiple strategies in order to advance the suite of projects, this could include: joint ventures, royalty or streaming deals, RTO's and further spin-outs as each of the 4 gold projects is advanced.

In addition, we can also expect the following developments from the gold portfolio in the coming months.

- Publication of the assay results from the 645m of diamond drilling at Ehuasso, anticipated in Q321
- The announcement of assay results from the 2,500m exploration reverse circulation drill programme designed to test the Kineta North target, anticipate in Q321. Visible gold has already been observed in a quartz vein from a visual assessment of the RC drill chips in the first hole completed.
- Maiden JORC 2012 compliant Mineral Resource Estimate for the Zaranou Gold Project, anticipated in 2021.

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