

1 June 2021

## Strategic Portfolio Review

### Restructuring to unlock the value in the Cape Coast Lithium Portfolio Creation of a new gold focused entity to fully realise value for shareholders

Following a strategic portfolio review, the Board of IronRidge Resources Limited (AIM: IRR, "IronRidge" or the "Company"), has concluded that the Cape Coast Lithium Portfolio is materially undervalued in IronRidge's current structure and requires a distinct, separate focus to release its true value.

The Board therefore announces its intention to progress a demerger of the Company's gold assets in Côte d'Ivoire and Chad into a new gold focused entity structured to permit quotation on a recognised stock exchange (NewGoldCo), subject to regulatory and shareholder approvals, as required.

#### HIGHLIGHTS:

- > **Intention to demerge Company's suite of gold assets into a separate listed entity (NewGoldCo). Board believes that the creation of a new gold focused company, in a robust gold market, is the optimal way to realise full value for shareholders**
- > **Restructuring to unlock further value in the Cape Coast Lithium Portfolio following an outstanding Scoping Study which confirmed the Ewoyaa Lithium Project ("Ewoyaa") as an industry stand out lithium asset**
- > **Board believes the proposed demerger will deliver shareholders an investment in two high quality companies; each delivering a clear focus on lithium or gold**

Whilst it is in the intention of the Company to progress with a demerger of the Company's gold assets, there will be a number of steps and conditions that will need to be addressed as part of finalising the demerger structure and there can be no guarantee that the demerger will complete. The Company will make further announcements to shareholders accordingly.

Commenting, Vincent Mascolo, Chief Executive Officer of IronRidge, said:

*"The proposed demerger is part of the growth strategy for IronRidge, and today's news represents a truly unique opportunity for shareholders to benefit from upside in two distinct and diversified companies at an opportune time for gold and lithium, respectively.*

*"The Board expects that today's vision can unlock significant shareholder value, help mitigate commodity risk as well as enable the Board to operate with greater efficacies and focus to capitalise on two highly compelling commodity markets."*

#### Overview and Rationale

The Board considers the Cape Coast Lithium Portfolio to be materially undervalued at the current share price and in the current structure of IronRidge and believes that the portfolio requires a distinct, separate focus to release its true value.

The Board believe that the creation of a new gold focused company in a strong gold market is the optimal way to realise further value for shareholders.

Under IronRidge ownership, the Cape Coast Lithium Portfolio, which includes the Ewoyaa Lithium Project, has been positioned as an industry standout project, ready for advancement through the development stages to production.

The Scoping Study confirmed Ewoyaa as a long-life, large-scale, low-cost open pit project, delivering excellent returns, as outlined below:

- **Scoping Study supports a business case for 2.0 Million tonnes per annum ("Mtpa") production operation with life of mine ("LOM") revenues exceeding US\$1.55 Billion, with significant potential to extend LOM.**
- **Eight (8) year LOM operation, producing an average 295,000tpa of 6% Li<sub>2</sub>O spodumene concentrate.**
- **Study delivers exceptional financial outcomes:**
  - **LOM revenues exceeding US\$1.55bn, Post-tax NPV<sub>8</sub> of US\$345M, IRR of 125% over 8 years**
- **US\$68M capital cost with industry-leading payback period of <1 year**
- **C1 cash operating costs of US\$247 per tonne of 6% lithium spodumene concentrate Free on Board ("FOB") Ghana Port**
- **Pre-tax NPV<sub>8</sub> of US\$539M and EBITDA of US\$854M for LOM**
- **Average EBITDA of US\$105M per annum**
- **Significant exploration upside potential from the historic Egyasimanku Hill deposit (1.5Mt @ 1.66% Li<sub>2</sub>O) and surrounding 684km<sup>2</sup> portfolio**

Since completion of the Ewoyaa Scoping Study, there has been significant interest in Ewoyaa relating to potential partnership and offtake opportunities.

#### Benefits of the proposed Demerger

- Separation of IronRidge's gold and lithium projects into separate focused entities with the objective of unlocking greater value for IronRidge's shareholders;
- Permits each separate entity to appropriately resource and focus on its projects, whilst progressing organic and other value accretive growth opportunities in their respective sectors;
- Allows IronRidge to focus all its resources on its three-stage ramp-up to production strategy at Ewoyaa, following a very strong increase in interest in the project.
- Provides IronRidge shareholders with diversification across investment assets, mitigation of commodity risk;
- Allows IronRidge shareholders to better share in the uplift expected from the lithium and EV thematic by attracting investors seeking this exposure; and
- Provides a timely, clean separation of assets, providing a more direct path to value recognition in the Company's asset base.

For any further information, please contact:

**IronRidge Resources Limited** Tel: +61 2 8072 0640  
Vincent Mascolo (Chief Executive Officer)  
Amanda Harsas (Company Secretary)  
[www.ironridgeresources.com.au](http://www.ironridgeresources.com.au)

**SP Angel Corporate Finance LLP** Tel: +44 (0)20 3470 0470  
Nominated Adviser  
Jeff Keating  
Charlie Bouverat

**Liberum Capital Limited** Tel: +44 (0) 20 3100 2000  
Joint Company Broker  
Scott Matheson  
Edward Thomas  
Kane Collings

**SI Capital Limited** Tel: +44 (0) 1483 413 500  
Joint Company Broker Tel: +44 (0) 207 871 4038  
Nick Emerson  
Jon Levinson

**Yellow Jersey PR Limited** Tel: +44 (0)20 3004 9512  
Henry Wilkinson  
Dominic Barretto

Matthew McHale

#### Notes to Editors:

IronRidge Resources is an AIM-listed, Africa focused minerals exploration company with a lithium pegmatite discovery in Ghana, extensive grassroots gold portfolio in Côte d'Ivoire and a potential new gold province discovery in Chad. The Company holds legacy iron ore assets in Gabon and a bauxite resource in Australia. IronRidge's strategy is to create and sustain shareholder value through the discovery and development of significant and globally demanded commodities.

#### Ghana

The Cape Coast Lithium portfolio covers some 684km<sup>2</sup> and includes the newly discovered Ewoyaa Lithium Project with a maiden Mineral Resource estimate of 14.5Mt at 1.31% Li<sub>2</sub>O in the inferred and indicated category including 4.5Mt @ 1.39% Li<sub>2</sub>O in the indicated category (reported in accordance with the JORC Code). A Scoping Study on the Ewoyaa Lithium Project, announced in January 2021, supports a business case for a 2.0 Million tonnes per annum production operation, producing an average 295,000tpa of 6% Li<sub>2</sub>O spodumene concentrate, with life of mine revenues exceeding US\$1.55 Billion. The Company entered into earn-in arrangements with Obotan Minerals Limited, Merlink Resources Limited, Barari Developments Limited and Joy Transporters Limited of Ghana, West Africa, securing the first access rights to acquire the historical Egyasimanku Hill spodumene rich lithium deposit, estimated to be in the order of 1.48Mt at 1.67% Li<sub>2</sub>O and surrounding tenements. The tenure package is also prospective for tin, tantalum, niobium, caesium and gold, which occur as accessory minerals within the pegmatites and host formations.

#### Côte d'Ivoire

The Company entered into conditional earn-in arrangements in Côte d'Ivoire, West Africa; securing access rights to highly prospective lithium mineralised structures and pegmatite occurrences covering a combined 3,584km<sup>2</sup> and 1,172km<sup>2</sup> area respectively. The projects are well located within access of an extensive bitumen road network and along strike from multi-million-ounce gold projects and mines. The Company's most advanced project is the Zaranou gold project which includes high-grade gold drilling intersections along 8km strike including 6m at 6.44g/t gold from 132m, 6m at 15.11g/t gold from 26m, 4m at 5.16g/t gold from 110m and 22m at 3.39g/t gold from 8m within a broader 47km long gold anomalous structure.

#### Chad

The Company entered into an agreement with Tekton Minerals Pte Ltd of Singapore concerning its portfolio covering 746km<sup>2</sup> of highly prospective gold and other mineral projects in Chad, Central Africa. IronRidge acquired 100% of Tekton including its projects and team to advance the Dorothe, Echbara, Am Ouchar, Nabagay and Kalaka licenses, which host multiple, large scale gold projects. Trenching results at Dorothe, including 84m at 1.66g/t Au (including 6m at 5.49g/t & 8m at 6.23g/t), 4m at 18.77g/t Au (including 2m at 36.2g/t), 32m at 2.02g/t Au (including 18m at 3.22g/t), 24m at 2.53g/t Au (including 6m at 4.1g/t (including 2m at 6.2g/t) and 2m at 6.14g/t), 14.12g/t Au over 4m, 34.1g/t over 2m and 63.2g/t over 1m, have defined significant gold mineralised quartz veining zones over a 3km by 1km area including the steep dipping 'Main Vein' and shallow dipping 'Sheeted Vein' zones.

#### Corporate

IronRidge made its AIM debut in February 2015, successfully securing strategic alliances with three international companies; Assore Limited of South Africa, Sumitomo Corporation of Japan and DGR Global Limited of Australia. Assore is a high-grade iron, chrome and manganese mining specialist. Sumitomo Corporation is a global resources, mining marketing and trading conglomerate. DGR Global is a project generation and exploration specialist.