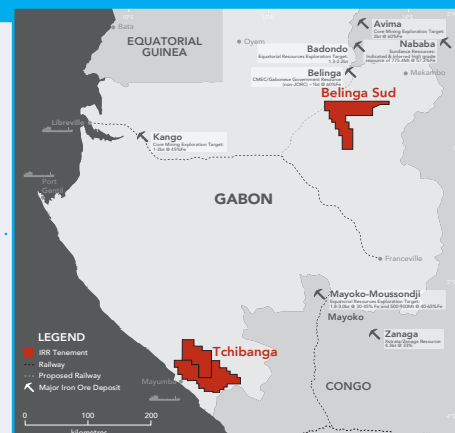


IronRidge Resources

Project names: Tchibanga and Belinga Sud**Project location:** Gabon**Commodity / resources:** iron ore*Locations of IronRidge Resources' Tchibanga and Belinga Sud tenements***Company summary**

It may have forged a name for itself through its economic reliance on oil, but the African nation of Gabon is quickly becoming known for its exceptional iron ore deposits. And with oil production in Gabon now declining rapidly from its 1997 production peak, emerging iron ore giant IronRidge Resources (AIM:IRR) is well placed to take advantage of the existing infrastructure in one of the most prosperous countries in Sub-Saharan Africa.



IronRidge invests in emerging Gabon

In the current mining-equity market and soft iron ore price environment, it is borderline miraculous that an iron ore junior with greenfield assets can get an initial public offering away. Australian-based IronRidge Resources (AIM:IRR) has made it look easy this month, in the process becoming the first exploration iron ore listing on London's AIM market in more than a year.



(Left to right) Assore representative Alistair McAdam, Iron Ridge executive chairman Nick Mather, Gabon minister of mines Christophe Akagha-Mba, Iron Ridge CEO Vincent Mascolo, and Sumitomo representative Thomas Ueda

IronRidge's placement of 96.5 million shares to raise £9.7 million to advance work on its west African properties is testimony to both the sound fundamentals of its projects, and the tenacious marketing efforts of an executive team that has been able to secure not one but two significant cornerstone investors. "We've certainly done what everyone said we couldn't do," IronRidge chief executive Vincent Mascolo told Mining Journal post the London float.

Rare proximity to the coast, low capital and operating cost models and a well-planned exploration strategy applied to promising geology had served IronRidge well over the past two years as the company slowly but surely attracted support for its Gabon venture, including from South African iron, chrome and manganese mining specialist Assore Limited and Japan's Sumitomo Corporation.

"I keep saying to the investor community, ask yourself how and why we have continued to procure interest which has ultimately culminated in our securing this spectacular deal," Mascolo said. "If you answer that question, you're likely to invest."

IronRidge expects to benefit from Sumitomo's global materials marketing knowledge and Assore's unique familiarity with mining high-grade deposits in Africa, and, hopefully, future financing support. Moreover, the early faith of

long-term-focused partners in the future economic viability of IronRidge's Gabon plans augurs well even as iron ore prices waiver in the immediate term.

"With the three of us, a junior explorer, a mining specialist and a worldwide trading house mining and industrial conglomerate, it's going to be quite a formidable team," Mascolo said. "They saw a unique opportunity in us that once we formalise a discovery, it doesn't really matter what the iron ore price does. At US\$60/t, we will still make an attractive margin."

IronRidge's flagship Tchibanga project is a mere 60km from the planned port of Mayumba in Gabon, giving the project critical long-term and potentially short-term cost advantages in that there is an opportunity for a modest trucking-transshipment operation to get cashflows moving while construction of an export facility progresses.

"Iron ore in general is an infrastructure project with a mine at the end of it, but as we're 60km from coast it becomes a mine with a small infrastructure project attached to it," Mascolo said. "If other companies can marginally make money at up to 600km from coast, we can certainly make a lot more money at 60km from coast."

With the AIM listing under its belt, IronRidge is now moving on plans to sample, map and prioritise 21 identified targets before starting an aggressive drilling campaign of around 15,000m. A maiden resource is expected within 12-18 months. Exploration can be accelerated on the back of \$2 million worth of previously acquired Falcon gravity survey and other extensive geophysical data that IronRidge procured opportunistically with detailed and thorough research. That helped to rapidly identify specific targets.

"Most junior explorers might raise only \$5-6 million, so they're not about to spend US\$2+ million on flying geophysics," Mascolo said. "But for us, it saves up to three years and \$20 million of work."

"We have already identified some 21 drill target areas. We know where we don't want to drill, so it's a huge advantage. We are focusing early on the programme on identifying where we are going to get the richest resource the quickest, so we can get rapidly into cash flow. Low capex and high net value to capex ratios with achievable capital exposures to start with will be a successful strategy, we think."

Ultimately, IronRidge aims to establish not just a mine or two, but an entire iron ore province in Gabon. The company says its conservative desktop studies at Tchibanga contemplate an exploration



Banded haematite iron stone from Mont Pele Tchibanga

target of perhaps 1,000Mt made up of 200Mt at 62%Fe, and 800Mt at 50% Fe. This could accommodate a 35Mt/y run-of-mine operation with conservative operating costs of US\$44.40/t sold over a 29-year mine life.

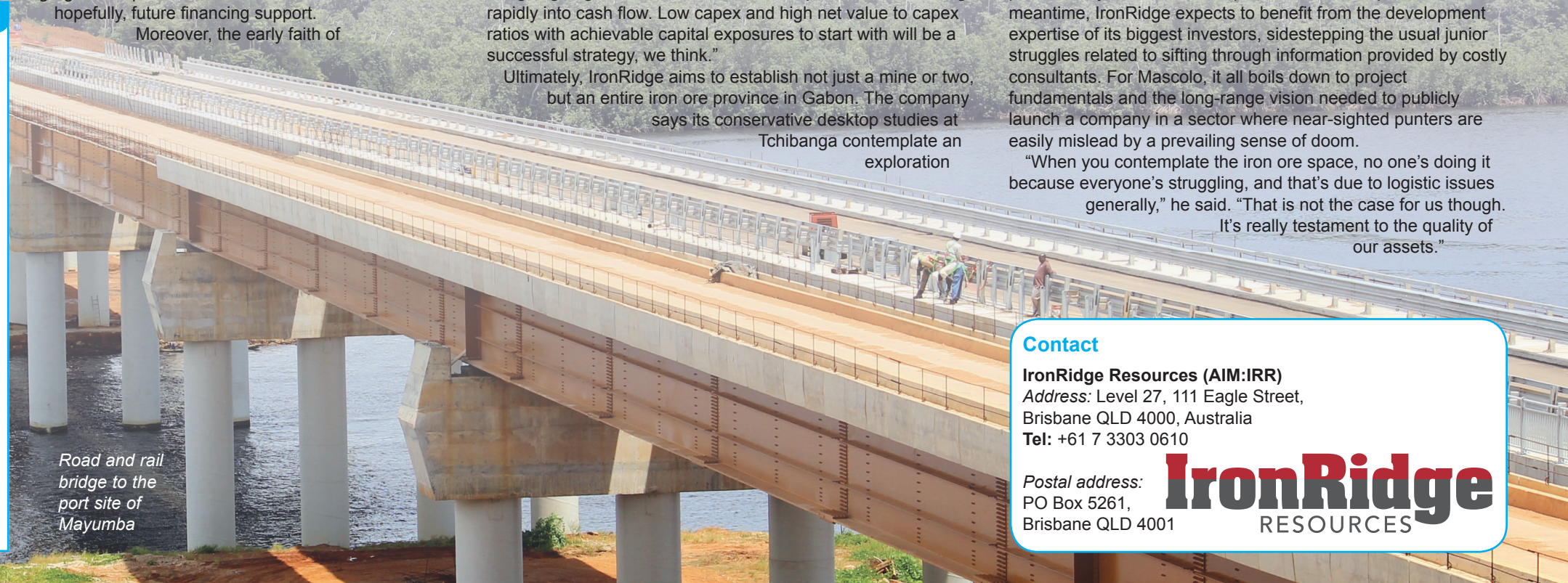
At this scale, Tchibanga's net present value was projected to be \$4.8 billion at \$75/t iron ore prices. "We don't doubt in a context of an inexorably urbanising world that the long run price is higher," Mascolo said.

With ambitions on this scale, IronRidge is naturally watching closely the rapidly developing logistics scenario in its tenure area as the Gabon government roles out an impressive \$14.4 billion infrastructure programme. This work has included a nearly completed road from the town of Tchibanga to Mayumba and a seven-span, combination rail and road bridge.

"The government is very proactive and supportive of resource development projects," Mascolo said. "Predominantly, their revenue comes from oil and gas, so they realise that Gabon, as a nation to develop and move forward, needs to open the doors to the greater mining and investment community. The benefit for us is a first mover advantage with respect to infrastructure and access to the facilities."

Progress on the infrastructure front will continue to roll out as Tchibanga phases from resource definition to scoping then prefeasibility work, and first up, a small starter operation. In the meantime, IronRidge expects to benefit from the development expertise of its biggest investors, sidestepping the usual junior struggles related to sifting through information provided by costly consultants. For Mascolo, it all boils down to project fundamentals and the long-range vision needed to publicly launch a company in a sector where near-sighted punters are easily misled by a prevailing sense of doom.

"When you contemplate the iron ore space, no one's doing it because everyone's struggling, and that's due to logistic issues generally," he said. "That is not the case for us though. It's really testament to the quality of our assets."



Road and rail bridge to the port site of Mayumba

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