

# Iron Bridge Responds to Velvet Energy's Continued Misleading Attacks, Recommends That Shareholders REJECT Velvet's Undervalued, Hostile Offer

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[Iron Bridge Resources Inc.](#) ("Iron Bridge"; "IBR"; or the "Company") (TSX: IBR) today responded to a desperate campaign of misinformation recently presented by Velvet Energy Ltd ("Velvet Energy"; or "Velvet"), intended to mislead Iron Bridge shareholders about the value of their investment and the substantial upside potential of their Company.

Additionally, the Company's Board of Directors (the "Iron Bridge Board"; or "Board") reiterated its prior unanimous recommendation, based upon the recommendation of its independent special committee, that IBR shareholders REJECT the unsolicited offer from Velvet Energy to acquire all of the issued and outstanding common shares of IBR at a price of \$0.75 per share in cash (the "Offer").

Velvet is seeking to acquire Iron Bridge's oil-rich Gold Creek Montney asset at a substantial 85% discount to its resource value potential. This would deny Iron Bridge shareholders exposure to tremendous growth upside and price improvement in the commodity sector. Recent comparable Montney land transactions imply a value of approximately \$3,500 per acre, almost three times the \$1,300 per acre land value implied by Velvet's offer for Iron Bridge's 49,600 net acre position. Further, Velvet's Offer does not reflect any value for the substantial synergies Velvet would realize by controlling Iron Bridge's lands, without which it faces major impediments to its own development plans.

Rob Colcleugh, Chief Executive Officer, said, "Having spoken to a large number of our shareholders, I am confident that the current Velvet Offer will be rejected. Yet, Velvet has made no attempt to contact Iron Bridge to propose an offer that might be more acceptable to our shareholders. Instead, they try to intimidate shareholders into tendering to the Offer with unscrupulous tactics, including using data they know to be incomplete and unrepresentative of the resource quality or its potential. This is a continued pattern of questionable behavior by Velvet and its management team. We are dismayed that the Canadian Pension Plan Investment Board and Warburg Pincus would support these types of actions from Velvet's leadership.

"From the beginning, Velvet has based its campaign on deceptive claims and baseless attacks. Whether misrepresenting the meagre premium it is offering, the quality of Iron Bridge's premium assets, the Company's long-term prospects or the likelihood of superior alternatives emerging, Velvet cannot be trusted and its Offer is clearly not in the best interest of Iron Bridge shareholders."

Velvet's most recent attacks, citing cherry-picked figures from public datasets to raise doubts about the quality of Iron Bridge's Gold Creek Montney land holdings, are misleading and self-serving. In May 2018 the Company disclosed initial, enhanced production rates from two of its Gold Creek wells, and has continued a deliberate process of well testing and evaluation. Production has been constrained by water disposal until an additional, third disposal well enters service which is expected shortly. While under this constraint, the Company fitted the 100/8-21 and 102/8-21 wells with downhole chokes in order to capture data on the impact of production pressure on gas-oil-ratios and water-cuts. Though this resulted in lower production volumes over the time period in question, it has provided important data with regard to maximizing resource recovery. With additional water disposal, the Company will now be able to increase flow rates and draw down pressures which is expected to facilitate the clean-up of these wells. The Company intends to provide a full update on its progress at Gold Creek with its second quarter results release, scheduled for August 14, 2018.

Contrary to Velvet's repeated uninformed claims and misrepresentations, Iron Bridge has continued pursuing its plan to generate substantial long-term value for its shareholders. IBR is currently engaged in discussions with multiple potential "white-knight" parties that may result in a superior proposal to the Velvet Offer, some of which would also allow Iron Bridge's shareholders to retain the ability to participate in the significant development upside of the asset. In addition, the Company has proposals from a number of potential strategic capital partners that would allow it to drive development plans forward on its own. These financial parties are supportive of our efforts to examine alternative proposals prior to engaging financing alternatives. The Company is committed to providing an alternative that maximizes value for all of its shareholders.

The Board continues to recommend to IBR shareholders that they REJECT the Velvet Offer and DO NOT TENDER their Iron Bridge common shares. If shareholders have tendered their common shares in error and wish to WITHDRAW, they simply need to ask their broker or Evolution Proxy, Inc. (contact information below) for assistance with this process. A more detailed discussion of the reasons for rejecting the unsolicited Offer and the inadequacy opinion provided by Cormark Securities Inc. is contained in the Directors' Circular that was mailed to each of Iron Bridge's shareholders and filed with Canadian Securities regulatory authorities. The Directors' Circular is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.ironbridgeres.com](http://www.ironbridgeres.com)).

#### How to Withdraw Tendered Common Shares

To reject the unsolicited Offer, you should do nothing. Shareholders who have already tendered their Iron Bridge common shares to the unsolicited Offer can withdraw them at any time before they have been taken up and accepted for payment by Velvet Energy. Shareholders holding shares through a dealer, broker or other nominee should contact such dealer, broker or nominee to withdraw their Iron Bridge common shares.

#### Advisors

Cormark Securities Inc. is acting as financial advisor to the Company, Torsys LLP as legal advisor, Evolution Proxy as information agent, and Gagnier Communications as strategic communications advisor.

#### Reader Advisories

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the unsolicited takeover bid from Velvet and Iron Bridge's recommendation to shareholders to reject such bid, and the potential emergence of any white knight or strategic capital partner, or than any such white knight or strategic capital partner will make a proposal on terms that are favourable to Shareholders, or at all. These forward-looking statements and information are based on certain key expectations and assumptions made by Iron Bridge. Although Iron Bridge believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Iron Bridge cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties, actual results could differ materially from those currently anticipated due to a number of factors and risks.

For additional information on risks and uncertainties, see the Company's annual information form for the year ended December 31, 2017 ("AIF") and most recently filed quarterly management's discussion & analysis ("MD&A"), which are available on SEDAR at [www.sedar.com](http://www.sedar.com). The risk factors identified in the AIF and MD&A are not intended to represent a complete list of factors that could affect the Company.

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