

28 March 2018

IRONVELD PLC
("Ironveld" or the "Company")

Interim results for the six months ended 31 December 2017

Ironveld plc, the owner of a High Purity Iron ("HPI"), Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa (the "Project") is pleased to announce its interim results for the six months ended 31 December 2017 ("the Period").

Highlights

Operational and Financial

- The Company put down a R7.0 m refundable deposit towards the potential acquisition of the Middelburg Smelting facility in exchange for a period of exclusivity
- Access agreements continue to be negotiated with the communities and affected land owners for the areas to be mined in the first five years
- Water use licence application proceeded with successful resolution expected early in Q2 2018. The licence represents the only outstanding licence required to commence production
- Successfully completed a placing in November 2017, raising £1.765 million
- Post period, site establishment and civil engineering works began in Q1 2018 in preparation for the commencement of mining activities.
- The Company remains in advanced discussions with a number of funding providers for the potential acquisition of the Middelburg Smelting facility

Strengthened Board

- Duncan George Harvey appointed to the Board as Non-Executive Director. Duncan brings a wealth of relevant experience as the Company focuses on becoming a producing company.

Outlook

- The Company remains focused on concluding the acquisition of the 7.5 MW Middelburg Smelting facility and associated independent power plant
- The Company will seek to move to production within six months of financial completion of the acquisition

Peter Cox, CEO, said:

"During the Period, in addition to finalising the outstanding permissions to commence mining operations we have been focussed on concluding the financing for the acquisition of the 7.5 MW Middelburg smelting facility. The acquisition represents a strategically important goal for the Company as the smelter is expected to deliver attractive economic returns and early free cash flow.

"We thank shareholders for their continued support and look forward to providing further updates as we move closer to production."

For further information, please contact:

Ironveld plc

Peter Cox, Chief Executive

c/o Camarco
020 3757 4980

Shore Capital and Corporate Limited

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Jerry Keen (corporate broking)

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Notes to Editors:

Ironveld (IRON.LN) is the owner of a High Purity Iron, Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa. Ironveld expects to mine its own VTM ore as feedstock for a 7.5 MW DC smelter which will produce speciality iron products including high purity iron powder as well as vanadium and titanium slag products.

The Definitive Feasibility Study published in April 2014 confirms the project's viability to deliver an exceptionally high-grade iron product (99.5% Fe) called High Purity Iron which commands a premium in the market place. Vanadium and Titanium slag containing commercial grades of vanadium and titanium will also be produced and sold.

Ironveld's Board includes; Giles Clarke as Chairman, Peter Cox as CEO, Vred von Ketelhodt as CFO, Nick Harrison, Rupert Fraser and Duncan George Harvey as a Non-Executive Directors.

Ironveld is an AIM traded company. For further information on Ironveld please refer to www.ironveld.com.

Chairman's Statement:

During the period, we have taken positive steps towards achieving our objective of becoming a production-led mining company, with significant progress expected over the coming months as we aim to commence production within six months of financial completion.

As a result of the strategic shift of focus from constructing a 15 MW smelter to acquiring the 7.5 MW Middelburg Smelting facility and associated independent power plant in the first half of 2017, the Company put down a R7 m (c £530k) refundable deposit towards the acquisition to enter into exclusive discussions. The Middelburg facility will provide a readymade smelter, facilitating early entry to production and enable proof of product by delivering into our off-take contracts which have been secured for the first five years of production with highly reputable partners across HPI, Vanadium and Titanium. This will significantly de-risk the Project, whilst delivering highly attractive economic returns and early free cash flow, following which we can look to upgrading the smelting facility to 15 MW.

The water use licence application, which is the only remaining licence required before mining operations can begin, is expected in Q2 2018. Management have already spent considerable time at the facility, preparing for the commencement of operations. Although upgrades and refurbishments will be required, the site establishment and civil engineering works have begun.

The Project's current resource contains 27 million tons of HPI and 1.4 billion pounds of Vanadium (V_2O_5) in situ. Current global annual demand of Vanadium is in excess of 300 million pounds (V_2O_5) and the fundamentals behind vanadium pricing have been highly supportive over the last 12 months. The Company expects that once in production, the 7.5MW smelting facility will be able to generate 190.5 tons of vanadium in slag grading 36% V and 21,000 tons of HPI powder per annum. Additionally, titanium in slag has anticipated production of 4,134.5 tons grading 65% TiO_2 annually.

The Company plans to produce HPI as a water atomised powder, which is widely used in the automotive industry, powder metallurgy and magnetic materials. Vanadium slag is used in the steel industry but other applications include use in the development of vanadium redox flow batteries. Titanium slag is used in the pigment industry, the steel and alloy industries and is a key part of new battery technology. The Company has also been investigating the possibility of producing titanium metal powders for the additive manufacturing industry.

We would like to thank our shareholders for their ongoing support, which has enabled us to successfully raise £1.765 million through a placing during the period. These additional funds are funding our working capital as we focus on moving towards production in the coming months.

We continue to work closely with local communities in the Project area to improve standards of living. We remain committed to our Keep a Girl in School Programme, in which we provide hygiene support to approximately 600 female students at schools in the local area in conjunction with our partners, the Imbumba Foundation and the Nelson Mandela Foundation. Work has also begun on introducing a support programme to encourage academic excellence amongst male students in the Project area, with cooperation from the Imbuba Foundation.

Appointments

In December 2017, we were pleased to appoint Duncan George Harvey to the Board as Non-Executive Director. Duncan has more than 15 years of experience across strategy, operating model design and business development and we look forward to working with him for many months to come.

Financial

The Group recorded a loss before tax of £243,000 (H1 2016: £385,000) and cash balances of £1,430,000 (H1 2016: £413,000) at the end of the period. The Company does not plan to pay a dividend for the six months ended 31 December 2017.

Going concern

The Group's present resources and existing facilities are only considered adequate to meet committed overhead expenditure for the period to 31 December 2018 by which time, the Directors expect to have completed the full funding of the Project (the High Purity Iron, Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa owned by the Group). The Directors are presently fully engaged with finance providers to raise further funds which will allow them to commit to the next phase of the Project.

The Directors are confident that sufficient funds can be raised for this planned activity and therefore have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of these interim financial statements. The Group is committed to developing the Project and is actively engaged in raising finance to allow the development to proceed. For this reason, the Board continues to adopt the going concern basis in the preparation of the financial statements.

Outlook

The Board remains committed to successfully concluding the acquisition of the Middelburg Smelting facility, which would enable the Company to commence production of HPI, Vanadium and Titanium.

We would like to thank all of our shareholders for their ongoing support for both the Company and the Project and we look forward to providing further updates in the near future.

Giles Clarke

Chairman

28 March 2018

IRONVELD PLC
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

	6 Months ended 31.12.17 £'000	6 Months ended 31.12.16 £'000	12 Months ended 30.06.17 £'000
Administrative expenses	(236)	(297)	(553)
Operating loss	<u>(236)</u>	<u>(297)</u>	<u>(553)</u>
Investment revenues	3	1	1
Finance costs	(10)	(89)	(185)
Loss before taxation	<u>(243)</u>	<u>(385)</u>	<u>(737)</u>
Taxation	-	-	-
Loss for the period	<u>(243)</u>	<u>(385)</u>	<u>(737)</u>
Attributable to owners of the company	(243)	(385)	(737)
Non-controlling interests	-	-	-
	<u>(243)</u>	<u>(385)</u>	<u>(737)</u>
Profit/(loss) per share (pence)			
Basic	(0.05)	(0.11)	(0.20)
Diluted	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

	6 Months ended 31.12.17 £'000	6 Months ended 31.12.16 £'000	12 Months ended 30.06.17 £'000
Loss for the period	(243)	(385)	(737)
Exchange differences on the translation of foreign operations	211	2,941	2,966
Total comprehensive income/(loss) for the period	<u>(32)</u>	<u>2,556</u>	<u>2,229</u>
Attributable to:			
Owners of the company	(108)	617	1,643
Non-controlling interest	76	1,939	586
	<u>(32)</u>	<u>2,556</u>	<u>2,229</u>

The accompanying notes for an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	As at 31.12.17 £'000	As at 30.06.17 £'000
Non-current assets		
Exploration and evaluation	27,476	26,750
Property, plant and equipment	4	5
	<u>27,480</u>	<u>26,755</u>
Current assets		
Trade and other receivables	549	780
Cash and bank balances	1,430	788
	<u>1,979</u>	<u>1,568</u>
Total assets	<u>29,459</u>	<u>28,323</u>
Current liabilities		
Trade and other payables	(133)	(331)
Borrowings	-	(889)
	<u>(133)</u>	<u>(1,220)</u>
Non-current liabilities		
Deferred tax liabilities	(5,632)	(5,580)
Total liabilities	<u>(5,765)</u>	<u>(6,800)</u>
Net assets	<u>23,694</u>	<u>21,523</u>
Equity		
Share capital	8,903	7,671
Share premium	19,161	18,211
Other reserves	-	-
Retained earnings reserve	(8,369)	(8,282)
Equity attributable to owners of the company	<u>19,695</u>	<u>17,600</u>
Non-controlling interests	3,999	3,923
Total equity	<u>23,694</u>	<u>21,523</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Retained Earnings £'000	Attributable to the owners of the company £'000	Non- controlling interests £'000	Total Equity £'000
Balance at 1 July 2016	6,500	16,136	21	(10,006)	12,651	3,337	15,988
Total comprehensive income for the year	-	-	-	1,643	1,643	586	2,229
Issue of share capital	1,171	2,054	-	-	3,225	-	3,225
Expiration of share warrants	-	21	(21)	-	-	-	-
Equity settled share based payments	-	-	-	81	81	-	81
Changes in non-controlling interests	-	-	-	-	-	-	-
Balance at 30 June 2017	7,671	18,211	-	(8,282)	17,600	3,923	21,523
Total comprehensive income for the period	-	-	-	(108)	(108)	76	(32)
Equity settled share based payments	-	-	-	21	21	-	21
Issue of share capital	1,232	950	-	-	2,182	-	2,182
Balance at 31 December 2017	8,903	19,161	-	(8,369)	19,695	3,999	23,694

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

	6 Months Ended 31.12.17 £'000	6 Months Ended 31.12.16 £'000	12 Months Ended 30.06.17 £'000
Net cash from operating activities	(178)	(481)	(641)
Investing activities			
Interest received	2	1	1
Purchase of exploration and evaluation assets	(454)	(500)	(914)
Contribution to exploration and evaluation assets	-	-	-
Purchases of property, plant and equipment	-	-	(1)
Net cash used in investing activities	(452)	(499)	(914)
Financing activities			
Repayment of borrowings	(861)	(360)	(312)
Proceeds on issue of equity (net of costs)	2,182	1,691	2,552
Net cash generated (used) in financing activities	1,321	1,331	(2,240)
Net increase/(decrease) in cash and cash equivalents	691	351	685
Cash and cash equivalents at the start of the period	788	113	113
Effect of foreign exchange rates	(49)	(51)	(10)
Cash and cash equivalents at end of period	1,430	413	788
Note to the cash flow statement			
Operating loss	(236)	(297)	(553)
Depreciation on property, plant and equipment	1	6	6
Share based payment expense	21	55	21
Operating cash flows before movements in working capital	(214)	(236)	(526)
Movement in receivables	134	(109)	20
Movement in payables	(92)	(47)	51
Cash used in operations	(172)	(392)	(455)
Interest paid	(10)	(89)	(186)
Taxation	4	-	-
Net cash from operating activities	(178)	(481)	(641)

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Basis of preparation and accounting policies

The results for the six months to 31 December 2017 have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and International Accounting Standards Board.

The accounting policies are consistent with those of the annual financial statements for the year ended 30 June 2017, as described in those financial statements.

The financial information does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. Full accounts of the company for the year ended 30 June 2017 on which the Auditors gave an unqualified report, have been delivered to the Registrar of Companies.

2 Loss per share

The calculation of basic and diluted loss per share is based upon the loss for the period and the weighted average number of ordinary shares in issue during the period.

	6 Months to 31.12.17 '000	6 Months to 31.12.16 '000	12 Months to 30.06.17 '000
Weighted average number of shares	491,765	343,190	360,143
Options – dilution	-	-	-
	<u>491,765</u>	<u>343,190</u>	<u>360,143</u>
	Pence	Pence	Pence
Basic loss per share – continuing	(0.05)	(0.11)	(0.20)
Basic profit/(loss) per share – discontinued	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Discontinued – Diluted earnings per share	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Where the Group reports a loss for any period, then in accordance with IAS 33, the share options and warrants in issue are not considered dilutive.

3 Registered office and copies of the report

The registered office is Ironveld plc, Lakeside Fountain Lane, St Mellons, Cardiff, CF3 0FB and copies of this report are available from the registered office.

INDEPENDENT REVIEW REPORT

UHY Hacker Young Manchester LLP
St. James Building
79 Oxford Street
Manchester M1 6HT

TO IRONVELD PLC

Introduction

We have reviewed the accompanying balance sheet of Ironveld plc as at 31 December 2017 and the related statements of income, changes in equity, cash flows for the six month period then ended and other explanatory notes 1 to 3. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2017, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as applicable in the United Kingdom.

In forming our opinion on the financial information, which is not modified, we have considered the adequacy of the disclosures made in the Chairman's statement concerning the Group's ability to continue as a going concern. The Group are currently negotiating a finance package to fund the additional planned activity and this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial information does not include the adjustments that would result if the Group were unable to continue as a going concern and the directors remain confident that the finance will be arranged.

UHY Hacker Young Manchester LLP
Chartered Accountants
Manchester

28 March 2018

IRONVELD PLC

OFFICERS, ADVISORS AND AGENTS

Directors:	Giles Clarke Peter Cox Vred von Ketelhodt John Harrison Rupert Fraser	(Chairman) (Chief Executive Officer) (Chief Financial Officer) (Non-Executive Director) (Non-Executive Director)
	Duncan George Harvey (Appointed 19/12/17)	(Non-Executive Director)
Secretary:	Kirsti Jane Pinnell	
Company Number:	04095614	
Registered Office:	Ironveld Plc Lakeside Fountain Lane St Mellons Cardiff CF3 0FB	
Nominated Advisor And Broker:	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU	
Solicitors:	Kuit Steinart Levy LLP 3 St Marys Parsonage Manchester M3 2RD	
Auditors:	UHY Hacker Young Manchester LLP Chartered Accountants St James Building 79 Oxford Street Manchester M1 6HT	
Bankers:	HSBC 97 Bute Street Cardiff CF10 5NA	
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